the Education Commission

Background Paper

The Learning Generation

Improving Basic Education Outcomes in Nigeria

Effectiveness, Accountability and Equity Issues

Chukwuka Onyekwena, Muhammed Adekunle, Nduka Eleanya and Olumide Taiwo

Centre for the Study of the Economies of Africa

IMPROVING BASIC EDUCATION OUTCOMES IN NIGERIA: EFFECTIVENESS, ACCOUNTABILITY AND EQUITY ISSUES

CSEA
Centre for the Study of the Economies of Africa
Quality research for sound policies

ACKNOWLEGDMENTS

This research on *Improving Basic Education Outcomes in Nigeria: Effectiveness, Accountability and Equity Issues* was commissioned by The International Commission on Financing Global Education Opportunity (The Education Commission, Washington DC) and executed by the Centre for the Study of the Economies of Africa (CSEA) under the supervision of Paul Isenman and Liesbet Steer.

The report was written by the CSEA's research team led by Chukwuka Onyekwena, with key contributions from Muhammed Adekunle, Nduka Eleanya and consultancy services by Olumide Taiwo (Helpman Associates). We appreciate the advice and reviews by Nwanze Okidegbe and Menachem Katz. Valuable comments and suggestion were also provided by Pauline Rose (Cambridge) and Asma Zubaida.

The study employed both secondary and primary data sourced from Lagos, Kaduna, Bayelsa, and Zamfara states. We would also like to acknowledge the various contributions from the following people: Musa Lawal Imam (Kaduna State Universal Basic Education Board), Ubale Salisu (Kaduna State Ministry of Education), Oluwafunmilayo Olalusi (ESSPIN, Lagos), Tayo Odekunle (ESSPIN, Kaduna).

The report builds on contribution of many stakeholders, but the findings, interpretations and conclusions expressed herein are those of the authors and do not necessarily reflect the views of all the contributors or the institutions or governments they represent.

Acronyms and Abbreviations

ESSPIN	Education Sector Support Program in Nigeria
ED	Education District
FMoE	Federal Ministry of Education
GER	Gross Enrollment Rate
JSS	Junior Secondary School
LGA	Local Government Authority
LEA	Local Education Authority
LGEA	Local Government Education Authority
MDG	Millennium Development Goal
M&E	Monitoring and Evaluation
NPE	National Policy on Education
OOSC	Out Of School Children
PTA	Parents/Teachers Associations
SBMC	School-Based Management Committee
SMoE	State Ministry of Education
SSS	Senior Secondary School
SUBEB	State Universal Basic Education Board
TETFund	Tertiary Education Trust Fund
UBE	Universal Basic Education
UBEC	Universal Basic Education Commission
UPE	Universal Primary Education
ZO	Zonal Office

Table of Contents

List of Tables

List of Figures

EXECUTIVE SUMMARY

This project reviews and assesses the basic education system in Nigeria in the context of Universal Basic Education (UBE) as designed in the UBE Act 2004 with a focus on effectiveness, accountability and equity in basic education financing. The project utilizes desk review of data and literature, interviews with officials at federal, state and local government levels, and structured questionnaires at school level.

1. The report provides an assessment of the effectiveness, accountability, and equity of basic education in Nigeria. The central objective of the UBE Act (2004) is to provide the institutional and resource frameworks to promote equity in educational outcomes across the country. Central to this objective are effective mechanisms for financing basic education that ensure availability of resources at the time and place where they are needed, and accountability in the use of resources that hinges on clarity of resource flows, capacity for monitoring and evaluation and oversight by all stakeholders in basic education, including the parents.

2. The dominance of federal government as the source of funds pivots the success of UBE on factors beyond domestic effort, given the dominance of petro-dollars in revenues of the federal and state governments and volatility of the market for crude petroleum. The approach is rather ineffective, as allocations from the federal government, plus matching monies raised by the states are insufficient to meet the needs of basic education, creating persistent resource gaps in the funding of basic education infrastructure. In response, schools in some states have introduced different types of levies with the consent of parents and in contravention of the provisions of the UBE Act.

3. Promoting effectiveness and accountability of the basic education financing framework requires streamlining the supply chain from top to bottom, improving education of stakeholders in the system particularly, end-users of resources, and emphasizing resource mobilization at individual, local and community levels. The resource supply chain is convoluted and unclear in general, arising from superimposition of the financing infrastructure of UBE on existing infrastructure based on the provisions of the 1999 constitution. Many principals in JSS and head-teachers in primary schools are unaware of how the financing architecture works and where to direct request for resources. Capacity to generate resources from donors, development partners, and local and community sources are critical to closing the funding gap, in addition to changing priorities at both federal and state levels in favor of education.

4. Capacity for M&E at SMoE and SUBEB, and functionality of SBMCs are the critical drivers of accountability in the basic education system. Capacity for data collection, analysis and quality improvement remains weak in all the states, thus hindering availability of comprehensive data on

education spending and outcomes to guide analysis. However, support from NGOs (such as ESSPIN) helps to bridge the gap in states where they are present. In addition, states with substantial donor funding of projects exhibit stronger capacity for M&E as funding is complemented by donor-initiated M&E frameworks. In addition, states with active and functional SBMCs have stronger oversight on personnel and educational outcomes. A national policy to strengthen SBMCs across the country could serve as platform for launching direct school financing initiatives.

5. Survey evidence shows differences in accountability mechanisms across states (Lagos, Kaduna, Bayelsa, and Zamfara). In Lagos and Kaduna, there is clarity of the financing supply chain, with the former having a more streamlined flow mechanism. This is not the case in Bayelsa and Zamfara which have unclear and convoluted financing supply chain, and the end users have poor knowledge of source of funds.

6. There is evidence that poorer households are spending lower portions of their expenditures on education as envisaged by the Act. Educationally disadvantaged States are achieving higher growth in enrolment as envisioned by the program. Evidence from Household surveys demonstrates a negative correlation between household spending on education and poverty count rates. That is, households in states where poverty headcount rate is high are spending lower fractions of their resources on education. The higher likelihood of people from wealthier homes to attend secondary schools (especially non-free higher secondary) and private schools explain this trend. However, OOSCs continue to increase in more disadvantaged regions while declining in more advantaged regions thus widening disparities in incidence of OOSCs. There is need to strengthen the demand side of basic education through community, household or pupil-focused initiatives.

7. Presence and support of donors and multilateral agencies have been critical to the progress achieved. Progress in access to and quality of basic education is driven largely by a combination of financial resources, class sizes and teachers' quality. The support of donors, development partners and multilateral agencies through grants, projects and technical assistance has been critical to progress in resource mobilization, capacity building and quality assurance. While there is no doubt that States have to reorganize and prioritize education more in spending, there is certainly a need for more donor support, particularly due to the twin impacts on resources and accountability.

8. The study recommends that improving the income generating capacity at local levels and streamlining the education financing framework can enhance effectiveness and accountability of basic education. Educating stakeholders at service delivery points on the workings of the financial architecture will improve oversight, and thus accountability. In addition, the existing UBE structure which allocates uniform matching grants across states, needs to be revised to reflect the differences in needs, and thus promote equity.

1. INTRODUCTION

9. This report provides an assessment of basic education in Nigeria with a focus on effectiveness, accountability and equity in financing. In the context of the report, **effectiveness** refers to capacity of the financing framework to generate resources adequate for the needs of basic education as envisioned by the enabling Act. An assessment of effectiveness thus implies evaluation of the strengths and weaknesses of basic education financing infrastructure reflected in policies, acts and action plans with a view to identifying gaps between expectations and outcomes. **Equity** in basic education financing among selected States is assessed on the basis of States' fiscal capacity, average per-pupil revenue, attendance of public schools relative to private schools, and poverty concentration. Equitable financing and outcomes in basic education is assessed from sensitivity of education funding to income and wealth levels across regions and states. Importantly, the study touches on gender disparities in education outcomes through a combination of demand and supply sides analyses of basic education in Nigeria.

10. The study is limited by non-availability of data on many aspects of the education finance, its distribution and educational outcomes. The focus of this study on equity requires data on distribution of resources across regions and schools within localities as well as learning outcomes at corresponding levels. Such datasets are not readily available and cannot be easily collected within the time frame of this study. Efforts are made to aggregate piecemeal data conditional on quality assurance checks. To the extent possible, data gaps are addressed with findings from field surveys conducted in four States – Bayelsa, Kaduna, Lagos and Zamfara.

11. The primary policy goal of UBE is to ensure that all children acquire a minimum standard of basic education free of charge irrespective of location and socioeconomic background. The goal is that all schools in the basic education system, irrespective of location, should have the resources to provide minimum quality standards of education for school-age children by means of adequate teaching materials, trained teachers, and essential physical infrastructure that is conducive for learning. In addition, all children of basic education age, irrespective of socioeconomic background, should have access to basic education.

12. Prior to UBE, an attempt to achieve equitable basic education based on special federal intervention achieved temporary and limited success. The Universal Primary Education (UPE) launched in 1976 was the first attempt at the national level to provide universal education in Nigeria with the overriding objectives of attenuating regional inequities.[1] Under the program, the

[1] Previous efforts to provide universal education have been made at regional levels. A Universal Primary Education (UPE) – free, universal and compulsory education at all levels of primary school – came into effect in January 1955 in the Western region. Subsequently, the Eastern region launched its own UPE for all levels of primary school in January 1957. However, due to financial difficulties, the program was scaled back to cover only the first two years of school and fees were reintroduced to upper levels in 1958. The Lagos protectorate introduced a free UPE in

first six years of education in the 6-5-4 system was made free in all the states of the federation. Funded through federal revenues from the oil boom, the nationwide UPE program is credited with rapid expansion of enrolment, schools and teacher training institutions across the country, and these effects were most significant in regions that lagged behind[2]. However, despite the growth in enrolment and infrastructure, the UPE faced serious challenges arising from inadequate planning. For example, while the program anticipated 2.3 million children to show up for enrollment, 3 million new pupils arrived at the schools for registration[3]. This led to overcrowding and immense pressure on educational infrastructure and shortfalls in supply of human and material resources. Most of the additional teacher needs of the program were met through accelerated training programs, leading to decline in average quality of teachers. In 1981, the federal government handed over financing of primary education to states and local governments who had statutory responsibilities for basic education, bringing the nationwide effort to a close. Faced with decline in oil revenues and consequently revenue allocations, subnational governments re-introduced school fees in order to meet funding needs. This reversal led to stagnation or decline of enrolment in many areas, arrears in teachers' salary payments, degradation of infrastructure and, in summary, decline in supply of functioning primary schools. The regional inequities that UPE sought to attenuate began to deepen and demand-side constraints to enrolment became magnified, especially in the North.

13. The Universal Basic Education (UBE) program launched in 1999 re-introduced federal financial interventions in basic education. By this time, the primary school system had been under serious financial pressure and poor governance for nearly a decade with attendant consequences of inadequate supply of human and material resources, over-crowded classrooms in urban schools, poor maintenance, poor supervision and poor learning environment (World Bank 1990). The NPE (1998), which informed the launch of Universal Basic Education (UBE) in 1999, extended basic education beyond primary schooling to span the first 14 years of life, including pre-school or early childhood education. Under the UBE, basic education was to be free and compulsory and is defined to cover six years of primary and 3 years of junior secondary education, adult education as well as informal education for specialized groups in the society. However, despite the official launch, systematic implementation of the UBE was hindered by absence of enabling institutional and legal framework. The Universal Basic Education (UBE) Act 2004 provides the legal backing for the program. As a policy designed for equal educational opportunity, the UBE offers nomads, migrants, farmers, fishermen, and women the opportunity to enroll in basic education in an unprecedented manner in the history of education in Nigeria. The UBE has three

January 1957. The Northern Region flirted with the idea of UPE through a government initiative in 1954 but did not carry through with the initiative for several reasons ranging from finance to teacher requirements. Regional disparities have this been built up before a unitary government began in 1966.

[2] Osili, Una Okonkwo and Long, B. T. (2008) Does Female Schooling Reduce Fertility? Evidence from Nigeria. Journal of Development Economics 87(1): 57-75.

[3] Fafunwa, A. B. (2004). History of Education in Nigeria. Ibadan: NPC Educational Publishers Ltd.

components[4]: 1) formal basic education comprising the first nine years of primary and junior secondary education for all children, 2) nomadic education for school age children, pastoral nomads and migrant fishermen, and 3) literacy and non-formal education for out-of-school-children, youth and adults.

14. While UPE and UBE, both federal interventions, are similar in their objectives, they differ in three main respects. First, the UBE seeks to provide free education for nine years compared to six under the UPE. Second, the UBE makes education compulsory for children of basic education age and imposes penalties on parents who keep them away from school, while the UPE was simply free. Third, the UBE was institutionalized through an Act of parliament whereas the UPE was simply a federal government program that had no backing of an Act or a Decree. The statutory backing is expected to strengthen the program in making universal education more effective, attenuating regional disparities in education and achieving Education for All as well as the education targets prescribed in the Millennium Development Goals.

15. To ensure equitable education outcomes, financing the UBE is designed as a needs-based system, which is expected to provide different levels of funding per pupil, with more resources going to disadvantaged areas. The UBE is an expansive program in terms of resource requirements. The World Bank estimates the total cost of 9 years of UBE to be about US$29 billion between 2005 and 2015 (World Bank, 2005).

1.1 Objective of the Study

16. The broad objective of this study aims to assess effectiveness, accountability and equity in basic education finance in Bayelsa, Kaduna, Lagos, and Zamfara. Specifically, the study seeks to:

i) Analyze the existing basic education financing policy initiatives, their impact and potentials for promoting effective basic education in Nigeria;

ii) Assess basic education financial and staff accountability across various education institutions and stakeholders in Nigeria, to identify gaps in practices and outcomes.

iii) Assess equity in basic education finance with particular focus on gender disparity in enrolment, and the determinants of progress in educational outcomes across states in Nigeria.

The rest of the paper is organized as follows: Section 2 examines the effectiveness of basic education finance, and highlights the governance and financial structures. Section 3 provides a description of the accountability mechanism in fining basic education in Nigeria, pointing out the roles of stakeholders, and the operational differences across states. Section 4 assesses equity in

[4] Federal Ministry of Education (2000) on UBE guidelines.

basic education in Nigeria, with particular focus on the effect of education spending on key indicators of income and wealth across states. Section 5 focuses on comparative analysis of determinants of progress in educational outcomes in sampled states, while Section 6 concludes the study and provides actionable policy recommendations.

2. EFFECTIVE FINANCING OF UNIVERSAL BASIC EDUCATION IN NIGERIA

17. An effective financing framework is required to generate adequate resources to meet the needs of basic education in Nigeria. In this section, we examine the strengths and weaknesses of the existing financing architecture, and its potentials to address the funding gaps[5]. Section 2.1 highlights the governance structure of education funding, and the key roles of the UBE Act (2004) and the 1999 Constitutions. The section illustrates the ambiguity created by the superimposition of these two laws in the education supply chain. Section 2.2 provides a detailed description of the financing framework of basic education in Nigeria. It points to the overbearing role of the federal government in financing basic education and the shortcomings of the counterpart finding mechanism in addressing the differences in needs across states. The section shows that variations in funding gaps across states (Lagos and Kaduna) reflects the differences in their capacities to generate resources, and the varying levels of private sector provision of basic education in the states.

2.1 Legal and Institution framework governing basic education funding in Nigeria

18. The 1999 constitution (as amended) and the UBE Act (2004) are two important frameworks governing basic education funding. Under the constitution, the federal and state governments share responsibility for university, technological and post-primary education while state and local governments share responsibility for primary education. However the constitutional provision makes primary education a responsibility of state governments while local governments participate in state governments' execution of the function. This arrangement applies to all areas of service delivery where local governments have some responsibility.[6] Consistent with this sharing of responsibilities, Section 162 (6) provides for creation of "State Joint Local Government Account (SJLGA)" into which federal allocations to local governments

[5] While we acknowledge that a good picture of overall effectiveness in basic education can be captured by assessing quality assurance at school levels, it was not covered in this section due to data and time constraints.

[6] Section 2 of the Fourth Schedule of the 1999 constitution provides that "The functions of a local government council shall include participation of such council in the Government of a State as respects the following matters – (a) the provision and maintenance of primary, adult and vocational education; (b) the development of agriculture and natural resources, other than the exploitation of materials, (c) the provision and maintenance of health services; and (d) such other functions as may be conferred on a local government council by the House of Assembly of the State."

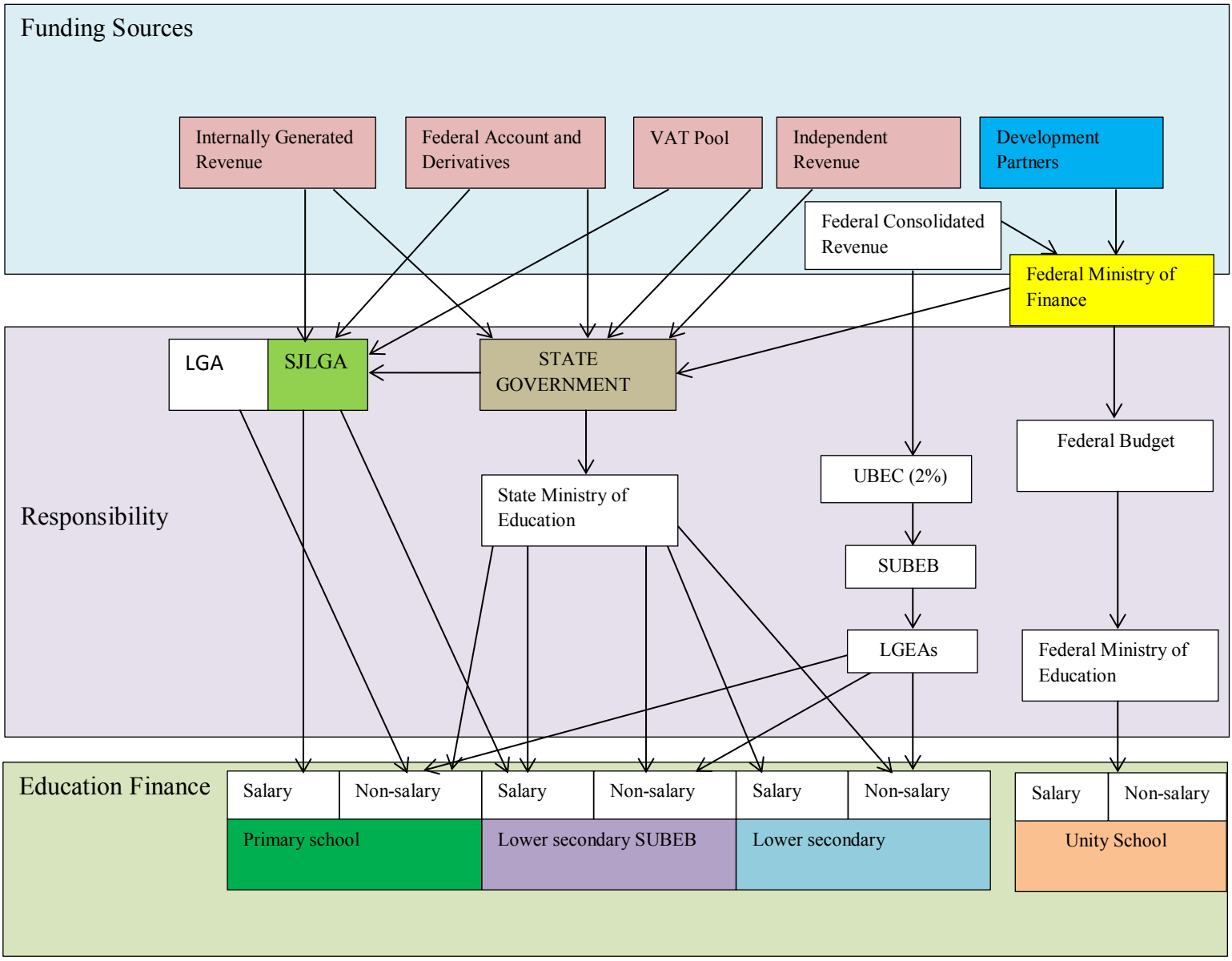
are paid, to be managed by the State government. In effect the states are responsible for provision of basic education with local governments playing supportive role at primary education level. Meanwhile, the UBE Act provides for federal interventions in basic education provision in order to address existing inequities in basic education funding and outcomes. Thus, under the constitution and UBE Act, basic education is shared responsibility between federal and state governments. The local governments do not have exclusive constitutional roles except those played by them in support of the State governments in the process.

19. To implement the intervention, the UBE Act provides for creation of agencies at Federal (UBEC), State (SUBEBs) and Local (LEAs) levels. The Act directly creates the Universal Basic Education Commission (UBEC) at the Federal level, and provides for creation and functioning of State Universal Basic Education Boards (SUBEBs) by State Assemblies, and creation of Local Education Authorities by the SUBEBs. Disbursement of funds from UBEC is channeled through the SUBEBs and UBEC is vested with powers to withhold grants to any SUBEB until it is satisfied that such State has applied earlier disbursements in accordance with the provisions of the act. This enforcement mechanism has the potential to instill accountability in the system.

20. The UBE Act provides for funding of basic education from three main sources: 1) federal government block grant of at least 2 percent of consolidated revenue, 2) funds or contributions in the form of federal guaranteed credits, and 3) local or international donor grants. The federal funds are split into two parts – a block grant to States for education infrastructure that requires States to provide matching funds, and a non-matching component for other needs of schools. To access the block grant, States must contribute not less than 50 percent of the total cost of infrastructure projects through internally generated revenues. Thus, effectively, basic education funding is shared between federal and state governments.

21. In the absence of reforms, the basic education finance architecture is convoluted. Figure 1 presents the archetype that emerges from superimposing the provisions of the UBE Act on the provisions of the 1999 constitution. In this model, service providers (end-users of funds) will access different funds from multiple sources and be responsible to multiple agencies. These can lead to confusion and inability of end-users to identify whom and where they could access funds and material requirements. Lack of coordination among multiple finance sources for a particular task or item is often a recipe for inefficiencies, duplications and wastages.

Figure 1: General Basic Education Supply Chain (Based on 1999 constitution and the UBE Act)



Source: World Bank (2015)

2.2 Overview of basic education finance and framework of finance in basic education

2.2.1 Overview of Basic Education Sector Finance in Nigeria

22. The federal government plays an overbearing role in basic education financing. Indeed, UBE finance relies principally on allocations and grants from federal revenues, which becomes evident given that salaries typically account for more than 80 percent of total education spending, and teachers' salaries are funded by statutory transfers from federation account to LGAs.[7] This overbearing role of the federal government implies that the progress of UBE will depend centrally on federal revenues. Table 1 illustrates the case of Kaduna State.

Table 1: Kaduna State Education Sector Resources 2011-2014 (N billions)

	2011	2012	2013	2014
BUDGET				
Total State Budget	136.6	159.3	178.1	201.0
Total Education Resources	30.4	35.3	39.7	59.9
State Education Budget	24.0	29.4	30.4	37.4
Other Sources of Education Funding	6.4	5.9	9.3	22.5
State Education Budget [% of Total State Budget]	18%	18.0	17%	19%
Primary Education Share of State Education Budget	53%	67%	58%	50%
Non-salary Share of Primary Education Budget	5%	12%	15%	15%
EXPENDITURE				
Education Expenditure [% of /State GDP]	2%	2 %	3%	4%
Total Primary Education Expenditure	n.a	16.0	24.5	n.a
LGA Expenditure [Teachers' salaries]	n.a	98.9%	87.9%	n.a
UBEC Intervention Fund	n.a	0.1%	11.3%	n.a
SUBEB Running Cost [funded by the State]	n.a	1.0%	0.9%	n.a

Source: Kaduna State Ministry of Education, Annual Education Sector Performance Report for various years.

23. State education budget rose to 19% of total state budget during the period, comparable to the 20% threshold recommended by UNESCO. Also, education expenditure rose to 4% of State GDP, which is also near the 5% recommendation. Primary education budget was consistently above 50% of total education budget, a signal of prioritization of basic education by the State. Although the State education budget is the dominant source of education sector resources, accounting for an average of 75% of total education sector resources, 99% of primary education expenditure was funded by a combination of LGA funds (for teachers' salaries) and

[7] World Bank (2015), Governance and Finance Analysis of the Basic Education Sector in Nigeria, Report No. ACS14245

UBEC intervention funds (for non-salary needs), both of which are allocations from federal revenues.

24. Aside from the government, individuals, organizations and international donors also support the financing of basic education. These efforts are coordinated at the SMoE (Lagos), SUBEB (Kaduna) or directly at the school level (donors' direct grants to schools, PTAs and SBMCs). The coordination of these different sources of financial support has evolved over time based on donors' perception of limitations to effectiveness of their support. The case of Lagos State presented in Table 2 provides some details about other sources of education funding.

Table 2: Lagos State Education Sector Resources 2011-2014 (N billions)

	2011	2012	2013	2014
BUDGET				
Total State Budget		439.5	499.6	489.7
Total Education Resources	90.2	95.6	90.6	102.4
State Education Budget	64.9	72.2	65.9	77.4
Other Sources of Education Funding[a]	25.2	23.4	24.6	25.0
State Education Budget [% of Total State Budget]		16%	13%	16%
Primary Education Share of State Education Budget		35%	40%	35%
Non-salary Share of Primary Education Budget		15%	12%	16%
EXPENDITURE				
Education Expenditure [% of /State GDP]	0.3%	0.5%	0.5%	
Total Primary Education Allocation		25.5	26.2	27.1
LGA Allocation [Teachers' salaries]		85%	88%	84%
UBEC Intervention Fund		5%	4%	8%
SUBEB Running Cost [Funded by the State]		10%	8%	9%
[a] Breakdown of Other Sources of Education Funding				
LGA Funds	23.6	21.8	23.2	22.7
UBEC Intervention Fund	0.9	1.2	1.0	2.0
Others	0.7	0.4	0.4	0.3

Source: Lagos State Government, Annual Education Sector Performance Report for various years.

25. Lagos is a larger economy and has historically better education outcomes than Kaduna. In 2014, Lagos education budget was at 16% of total budget, behind Kaduna's 19%, and primary education share of education budget at 35% was also well below Kaduna's 50%. Education spending was merely 0.5% of State's GDP compared to Kaduna's 3% in 2013. Similar to Kaduna, LGA funds for salaries accounted for an overwhelming share (84%) of primary education spending in 2014, although the distribution of sources in Lagos was more balanced than in Kaduna, a reflection of greater capacity to generate resources at state level, attract resources from UBEC (Intervention Funds) and from other sources (see section 3). Again, federal funds (LGA funds plus

UBEC Intervention Funds) accounted for as high as 99% of other sources of education funding outside of State budget. The remaining 1% of other sources include MDGs and TETFund, all derived from federal revenues.

26. Although the UBE Act prohibits fees and levies, inadequacies of school funding from the federal and state levels have prompted re-introduction of different forms of fees and levies by schools. Household level surveys show that a substantial proportion of poor households pay PTA levies, exam fees, as well as costs associated with books and supplies.[8] Poor households unable to pay the fees often have their children denied admissions or sent home. In the 2004 ESA survey, over a quarter of pupils had been sent away from school for non-payment of school levies.[9] Many of these school-age children enter the world of work. Other studies show the extent of institutionalization of fees and levies especially by schools in remote areas where schools remit portions of the levies to LGEAs and State Education Boards on account of acute underfunding.[10]

27. Voluntary donations by local philanthropies, groups or individuals also constitute a source of funding for basic education. These contributions can take several forms, including cash transfers, donation of equipment, materials and blocks of classrooms. Some schools generate resources from sales of output from school farms as well as handicrafts.[11] Foreign assistance, typically administered as Overseas Development Assistance (ODA) plays an important role in closing funding gaps in education. ODA comes in different forms including supply of equipment, instructional materials, provision of school buildings and capacity-building for teachers and administrators.

2.2.2 Framework of Basic Education Finance

28. Subsequent to withdrawal of federal interventions in 1981, the federal government resumed giving grants to local governments for primary education in 1986 and later for payment of teachers' salaries in 1989. The funding formula, revised in 1994[12], shares 50% of total federal grants equally among the states while the remaining 50% is distributed to foster equitable distribution of resources: 25% is shared among educationally disadvantaged states, determined by the federal government according to set criteria, 15% is allocated on the basis of pupil enrollment, while the remaining 10% is shared on the basis of overall population of states. This arrangement not only took care of the issue of equity in distribution of resources to the states, but attempts to make adequate funds available to the educationally less privileged states with limited resources and vast population. However, these allocations are based on funds dedicated for grants by the federal government. Other sources of education funding include the Education Trust Fund (ETF)

[8] NPC and RTI International, 2011, Lincove (2009)
[9] FMoE 2005
[10] Poulsen 2009, Antoninis 2010
[11] Ogbonnaya, 2012
[12] Ajetomobi and Ayanwale (2005), Education Allocation, Unemployment And Economy Growth In Nigeria: 1970 – 2004

which receives 2% of pre-tax profits of companies with more than 100 employees. The ETF allocates 40% of its fund to primary education, 10% to secondary education and 50% to tertiary education. Federal intervention through UBEC is superimposed on the existing structure.

2.2.3 Federal Government Financing in Basic Education (UBEC)

29. Currently, 50% of total federal grants to UBEC is allocated to the states for school infrastructure based on needs and mobilization of 50% of the needed funds as counterpart funds. The sum of State's counterpart fund and UBEC's counterpart fund constitutes the major source of SUBEB's funding. The remaining half of UBEC funds are split further into instructional materials (15%), educational imbalance grant (14%), teachers professional development (10%), good performance grant (5%), special-needs children education grant (2%), UBE implementation fund (2%) and UBE monitoring fund (2%). Apart from the last two items, most of the listed funds are directed towards the achievement of equity and are spent in the states based on needs. The formula for disbursing intervention fund by UBEC is provided in the table below.

Table 3: Disbursing Formula for UBEC Intervention Fund to States (in percent)

Component	Allocation
Matching Grants to States for Infrastructure	50
Education Imbalance Grant	14
Good Performance Grant	5
Grant for Provision of Education to Children with Special Needs	2
Instructional Materials	15
Teacher Professional Development	10
UBE Implementation Fund	2
UBE Monitoring Fund	2
Total	**100**

Source: UBEC (Cited in EDOREN, 2015)

30. Despite the provision of the UBE Act, disbursements under the federal-state matching grants have been need-blind. Half of federal government grants to UBEC is reserved for special interventions while the remaining half is applied to non-salary expenditure of basic education. However, in practice, UBEC simply split its funds into two parts and allocated the matching grant component equally among the 36 states and FCT. UBEC's report of 28th October, 2015, shows matching grant allocation to States were flat amounts of N1.036 billion; N1.465 billion; N1.153 billion; N1.725 billion; N1.031 billion; N952 million and N438 million in 2005-2006, 2007-2008, 2009-2010, 2011-2012, 2013, 2014 and 2015 respectively (Table 4).

Table 4: Matching Grants to States for Infrastructure (2005-2015)

Year	Matching Grant Allocation Flat Amount per State (₦)	Total Curriculum Grant (₦)	Total Allocated Matching Grants (₦)	Total Un-accessed Matching Grants* (₦)
2005-2006	1,036,378,378		38,346,000,000	51
2007-2008	1,464,797,296	1,312,500,000	54,197,500,000	4,865
2009-2010	1,153,903,587		42,694,432,728	0
2011-2012	1,725,464,021		63,842,168,762	8,942,187,436
2013-2014	1,983,094,594		73,374,500,000	39,686,990,192
2015	437,635,135		16,192,502,015	16,192,502,015
Total	**7,801,273,012**	**1,312,500,000**	**289,959,601,444**	

Source: Universal Basic Education Commission (UBEC)

* As at the date of this report. At that time, no state has accessed 2015 allocations and only 10 states have accessed their 2014 allocations. From 2005 to 2010 all the 36 States including the FCT accessed their entire matching grants, except Bauchi in 2007-2008. The States that accessed all their matching grants from 2005 to 2014 are Anambra, Borno, Gombe, Imo, Kano, Katsina, Kano, Kebbi, Lagos, Sokoto, and Taraba. For example Zamfara State has not accessed N437 millions of its allocations

31. Total infrastructure grants made by UBEC fluctuates widely, from an average of N19 billion per year during 2005-2006 to N37 billion per year during 2013-2014 and down to N16 billion in 2015, arising primarily from fall in crude oil prices in the international market. However, the rationale for flat allocation of grants is perhaps to minimize the positive correlation between UBEC grants and States' fiscal capacity that would emerge if the Act was followed. States with higher fiscal capacity would be more likely to embark on larger-than-average infrastructure projects and thus receive larger-than-average counterpart grant from UBEC while states with lower fiscal capacity that are typically less advantaged and would have larger-than-average infrastructure needs but would have hard time generating the counterpart funding. Thus, states with the most requirements (to provide the minimum standard of basic education) will ultimately receive lower-than-average grants from UBEC, which would worsen inequities rather than diminish them.

2.2.4 State Government Financing in Basic Education (SUBEB)

32. Basic education delivery is coordinated and financed by SUBEB, under the control of the SMoE, and is also the channel through which federal funds, including UBEC intervention funds, grant allocations to agencies of MDGs, and others, flow into the basic education system. In addition to the counterpart funding, the State governments through the SMoEs support basic

education by funding the running costs of SUBEBs. However, it is difficult to ascertain basic education spending at the State level due to the fact that in many States, aggregate yearly education budget is allocated to the State Ministry of Education without specifying which amount goes to basic education.

33. At primary education level, the SUBEB is responsible for the payment of salaries of teachers. By default, funds for this purpose come from federal allocation to LGAs. In practice, the State Government draws the funds directly from SJLGA and transfers them directly to SMoE (then to SUBEB in Lagos State) or SUBEB (Kaduna State) for disbursement. Non-salary items are funded on the basis of needs and availability of funds. Infrastructure project requests are channeled from the school to SUBEB (through LGEAs) and SUBEB executes the projects directly at the school based on availability of funds. In practice, funding limitation leaves many projects unfunded.

34. At JSS level, the SMoE is responsible for payment of salaries of teachers. These are paid out of a mix of funds arriving through the SJLGA, State contributions to education and perhaps SUBEB's counterpart funds. However, the extent to which LGA funds contribute to these salaries are often not clear as the State has the domineering role over disbursements from the SJLGA. Non-salary items are funded by SUBEB through direct implementation of infrastructure projects at the school.

35. In the states where data is available, federal allocations' share of total primary education expenditure averaged 91% over 2012-2014 in Lagos state and 99% in Kaduna during 2012-2013. State Governments through SMoEs contribute 9% and 1% in Lagos and Kaduna States respectively to primary education expenditure, and these were in the form of SUBEB running costs.

Table 5: Federal and State shares of primary education funding (in percent)

State	Lagos [2012-2014]	Kaduna [2012-2013]
Federal Government	91	99
LGA Allocation [Teachers' salaries]	86	93
UBEC Intervention Fund	5	6
State Government [SUBEB Running Cost]	9	1

Source: SMoEs, Annual Education Sector Performance Report for various years.

36. While differences in funding per State budget may suggest the extent to which government prioritizes basic education, they may also reflect differences among the States in the extent to which private sector provides basic education. Kaduna State allocates 57% of Education budget to primary education, and spends 55% of its total education expenditure on basic education, compared to 37% and 35% respectively for Lagos. In terms of coverage, the proportion of pupils enrolled in public school was 86% at primary and pre-primary school level, which decreased to 78% at JSS level in Kaduna. These imply a very limited role of the private education sector in the

State, with engagement rising at JSS level. The contrast occurs in Lagos State where public schools cater for only 29% of total enrolment in primary and pre-primary schooling, but for the majority (66%) of pupils enrolled at JSS level (Table 6).

Table 6: Share of Basic Education in State Funding (in percent)

	Lagos	Kaduna
Budget & Spending		
Share of Primary Education Funding in State Budget	6 [2012-2014]	10 [2011-2014]
Share of Primary Education Funding in State Education Budget	37 [2012-2014]	57 [2011-2014]
Share of Basic Education in Total Public Expenditure on Education	35 [2006-2008]	55 [2010-2011]
Share of Basic education in Total Capital Expenditure on Education	14 [2009-2010]*	38 [2010-2011]
Enrolment		
Public Enrolment/Total Enrolment in Primary (& Pre-Primary) Education	29 [2010]	86 [2011,2014]
Public Enrolment/Total Enrolment in Junior Secondary Education	66 [2010]	78 [2011,2014]
Public Enrolment/Total Enrolment in Basic Education	38 [2010	83 [2011,2014]

Source: Various Reports on Education Sector in Lagos and Kaduna States, ESSPIN Lagos Private School Census 2010-2011 Report

* Excludes Junior Secondary education

37. Learning outcomes in private schools are superior to outcomes in public schools. Data from 2006/2007 academic year (Table 7) shows that 90% of pupils in private schools passed the JSS-3 examination with distinction or credit, compared to 40% of pupils in public schools. This wide achievement gap is a product of differences in the differential supply of qualified teachers, infrastructure and learning materials.

Table 7: Performance in JSS-3 Examinations in Lagos State (Public vs. Private) 2006/2007

(in percent)

	Distinction	Credit	Pass	Fail	Total
Public Schools					
English Language	2.8	37.5	57.7	2.0	100.0
Mathematics	6.5	33.7	57.9	1.9	100.0
Integrated Science	6.5	33.9	56.6	3.0	100.0
Social Studies	6.4	33.5	56.8	3.1	100.0

Private Schools					
English Language	19.8	69.9	9.6	0.7	100.0
Mathematics	36.3	53.4	9.6	0.7	100.0
Integrated Science	36.5	53.1	9.6	0.7	100.0
Social Studies	35.9	53.4	9.9	0.7	100.0

Source: Lagos State Exams Board (2008)

38. In the context of UBE, LGAs do not play substantial roles in education financing. In fact they are largely marginalized since the major fund they administer on behalf of basic education is already transferred to SUBEB. However, LGEAs that are sometimes part of the LGAs are involved in administration of basic education, but do not have financial responsibilities. Focus group interviews indicate confusion among teachers with respect to the source of their salaries. For instance, some primary school head teachers interviewed in Bayelsa State are unaware of the source, while those in Kaduna State are of the opinion that their salaries are paid by the LGA through the LGEAs whereas salaries are paid from LGA funds transferred to SUBEB for direct payment to teachers (see Figure 3).

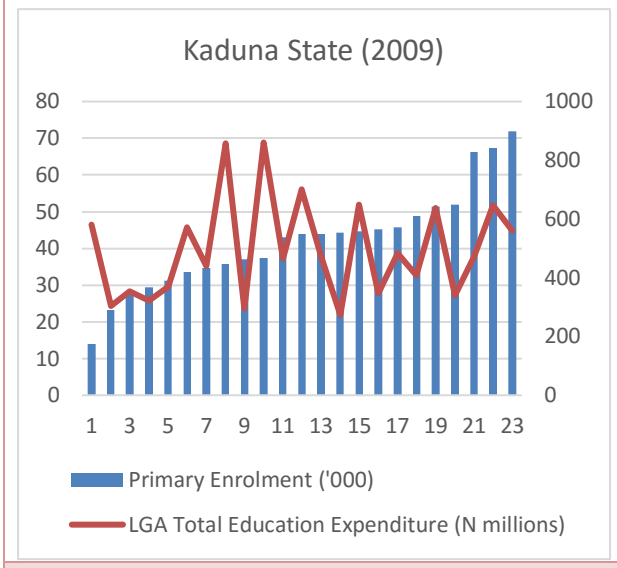
39. Teachers' salaries are the most important funding responsibilities of LGAs. Operationally, the number of public school teachers in a LGA depends on pupil enrolment, implying that student enrolment should be a strong determinant of education expenditures at LGA levels. Figure 2 (below) illustrates the cases of Lagos and Kaduna States. As shown in the graphs, education expenditure at LGA level is highly sensitive to pupil enrolment in Lagos (correlation coefficient = 0.68) but not so in Kaduna (correlation coefficient = 0.15). Teachers' salaries accounted for 98% and 99% of total expenditure in Lagos and Kaduna respectively. In Kaduna state, the overhead component of LGA education expenditure is more reflective of enrolment than gross education expenditure (correlation coefficient of 0.32 versus 0.15), whereas in Lagos state, both are equally sensitive to enrolment.[13]

[13] Ghost teachers and workers are probable explanations for these differences between Lagos and Kaduna.

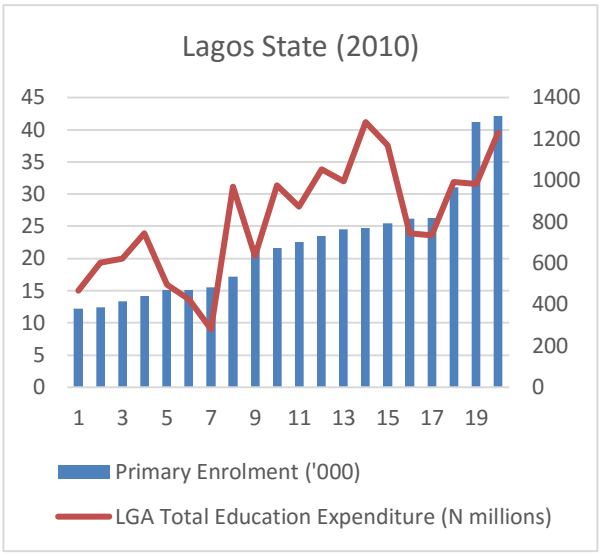
Figure 2: Education Expenditure and Enrolment at LGAs in Kaduna and Lagos States

Vertical axis: Left (Enrolment), Right (Education Expenditure)

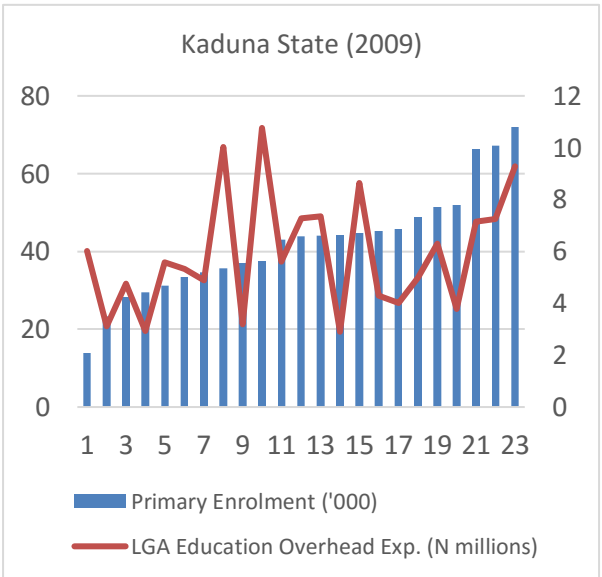
Personnel expenditure/total education expenditure: Kaduna (99%) Lagos (98%)



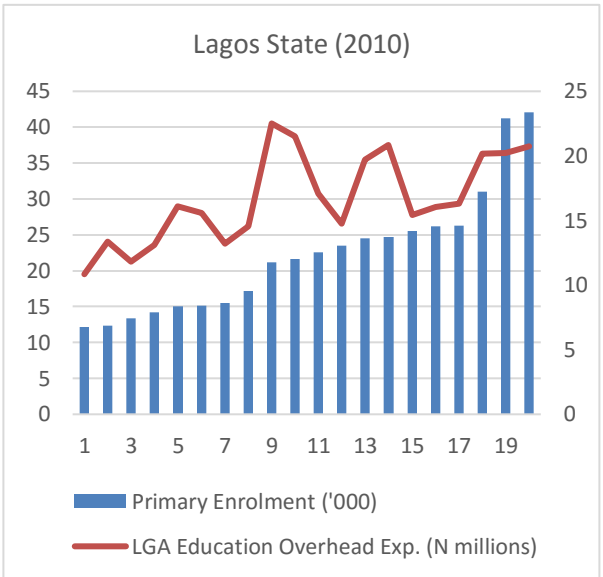
Correlation coefficient = 0.15



Correlation coefficient = 0.68



Correlation coefficient = 0.32



Correlation coefficient = 0.68

Source: SMoEs, Annual Education Sector Performance Report for various years.

3. ACCOUNTABILITY IN BASIC EDUCATION FINANCING IN NIGERIA

40. The extent of accountability of education finance can be identified in the mechanism of resource flow and the dynamics of the oversight roles played by the stakeholders. Accountability is generally enhanced when the resource supply chain is clear and uncomplicated, and end-users have some considerable understanding. This requires a system with simple and transparent structure with clearly defined rules and responsibilities. Section 3.1 identifies the different oversight roles played by the stakeholders in basic education. Section 3.2 shows the operational differences in the disbursement, allocation, and utilization of funds (top-down) across states (Lagos, Kaduna, Bayelsa, and Zamfara), pointing to the roles of the degree of streamlining and clarity of finance supply chain in promoting accountability. Section 3.3 captures the accountability mechanisms at the school level (bottom-up) across sampled states.

3.1 Accountability structure of basic education in Nigeria

41. Three major agencies vested with oversight powers in UBE delivery are accountable to different institutions: 1) UBEC, which is tasked with achievement of UBE and funded by federal government grant is accountable to the federal government. The UBE Act confers on UBEC the power to "(c) prescribe the minimum standards for basic education throughout Nigeria in line with the National Policy on Education and the directive of the National Council on Education and ensure the effective monitoring of the standards;" and (f) .., a personnel audit of teaching and non-teaching staff of all basic education institutions in Nigeria." 2) SUBEB, a parastatal agency that is created by the State (which in turn creates the LGEAs to aid implementation at local levels) and is accountable to the SMoE, 3) The FMoE which formulates policies and sets quality assurance guidelines for all levels of education. Within the limits of constitutional autonomy of States, the federal agencies (UBEC and FMoE) perform their oversight roles through their respective State-level offices.

42. Monitoring and evaluation (M&E) powers are delegated vertically from federal to State level agencies. The UBEC plays its role through the SUBEB which is vested with powers to monitor and evaluate the personnel of UBE programs at the state level and through the LGEA at local government level. The FMoE exercises its roles through SMoEs, which has supervisory duties over SUBEB. Thus, the SUBEB working directly with schools or through the LGEAs are central to accountability of the basic education system.

43. In addition to oversight roles of federal and state (through local) levels of government, the SBMCs also play an important monitoring role on behalf of the school communities. By design, SBMCs do not implement projects but are vested with power to monitor activities at the school, provide progress report on educational outcomes and physical projects. Principals are required to feed SBMCs with information on upcoming projects irrespective of source of funds (Donor,

SUBEB and State), and SBMCs send representatives to monitor implementation. Thus, the degree of accountability is strengthened by presence of active and functioning SBMCs.

44. In practice, the degree of streamlining and clarity of resource supply chain, capacity for M&E at SUBEB, and functionality of SBMCs are the critical determinants of the level of accountability in the basic education system. A well streamlined resource supply chain with clearly defined targets of fund components at all levels, plus an infrastructure that facilitates monitoring implementation prevent fungibility, diversion and wastage in use of funds, and thus promotes accountability. A streamlined system of resource flow and control that enables accountable use of funds is estimated to save 40-45% of allocated funds from wastage in the Nigerian education system.[14] Therefore, the benefits of an education financing system with strong accountability institutions are enormous, necessitating commensurate attention from policymakers.

45. Capacity for data collection, analysis and quality improvement remains weak in all the states surveyed but support from (donor-funded) NGOs such as ESSPIN helps to strengthen capacity in their program states. However, their presence is limited to Lagos and Kaduna among the sampled states (ESSPIN is present in Lagos, Enugu, Kaduna, Kano, Jigawa and Kwara states). Absence of donor-funded support in the other states reflects in their poor M&E capacity, which is noted by UBEC in its quality assurance report.[15] The UBEC reports that Bayelsa SUBEB (and LGEAs) has the highest number of staff in the entire South-South region (3,759), but ranks at the bottom in terms of technical capacity in the region. Only 17% of Bayelsa LGEAs staffs were computer literate in 2010 compared with 36% in Cross River state.

46. Inspection and personnel audits are reportedly regular in all the states, but ability to sanction deviation and non-performance follows the standard "who-pays-the-piper-dictates-the-tune" principle. Timely payment of teachers' salaries and adequate provision of infrastructure for conducive learning environment raises the effectiveness of personnel audit and the strength of sanctions on deviant and underperforming personnel. In Lagos (or Kaduna), SMoE inspectors have effective powers to sanction principals, reprimand and refer teaching staff to disciplinary committee in the ED (or ZO) in case of persistent problems for action at secondary level while SUBEB exercises similar powers at the primary school level including the power to sanction head-teachers. In contrast, the system remains very weak in Bayelsa; teachers are regularly absent from school and head-teachers are unable to enforce the disciplinary codes on erring teachers.

[14] Nwoko, Chinedu (2015), Financing Education in Nigeria: Opportunities for Action, Country Case Study for the Oslo Summit on Education for Development

[15] Source: UBEC Department of Quality Assurance, Report on Quality Assurance in Basic Education in Nigeria, 2012 volume 1.

3.2. Channels and Flows of Education Funding in Nigeria

47. The States surveyed exhibit substantial differences in the flow of basic education finance system and the clarity with which end-users of resources (service providers) identify them. It is only in Lagos State that the basic education system is disarticulated[16] from the SSS (JSS and SSS are managed by different principals). However, in all the States, both JSS and SSS are under management of SMoE while primary schools are managed by SUBEB. Non-salary needs and infrastructure requirements are identified and listed at the school level and forwarded to the immediate higher authority for procurement and delivery or construction. Most of the time, it is at the SMoE or SUBEB level that project costs are estimated and budgeted. The States visited exhibit noticeable differences in revenue generating capacity and the streamlining of resource flow in order to reduce waste, confusion and uncertainties. In general, payment of salaries and other recurrent expenditure are on time but there are always shortfalls in funding of capital projects (chronic in some instances and acute in others).

3.2.1 Lagos State

48. The SMoE manages secondary schools through Education Districts (EDs) while SUBEB directly oversees UBEC non-matching interventions in JSS and manages primary schools through LGEAs. In the JSSs, principals submit non-salary requests such as servicing of classrooms, construction of language laboratories, ICT room and Art studios to the SMoE through the EDs. Salaries of teachers are also paid by the SMoE through the EDs. However, UBEC interventions outside of matched grants are implemented by SUBEB directly in the school, bypassing the EDs.[17] Head-teachers submit non-salary requests to the SUBEB through LGEAs and receive disbursements through the same channel. Salaries are also paid by SUBEB through the LGEAs.

49. Corporate organizations, philanthropies and international donors contribute to basic education finance at the secondary level, and all contributions are coordinated by SMoE. Other organizations play important role in funding education in Lagos State. These include corporate social responsibility (CSR) sources, Non-Governmental Organizations (NGOs) and Community-based Organizations (CBOs) that support provision of instructional materials and laboratory equipment. For these organizations to be involved in capital projects such as construction and rehabilitation, the school principal/management must report to the ED for approval (fairly easy!). The World Bank's EKO project[18] is also coordinated at the SMoE level. The School-based

[16] School design approach that involves separation of JSS and SSS under different management.

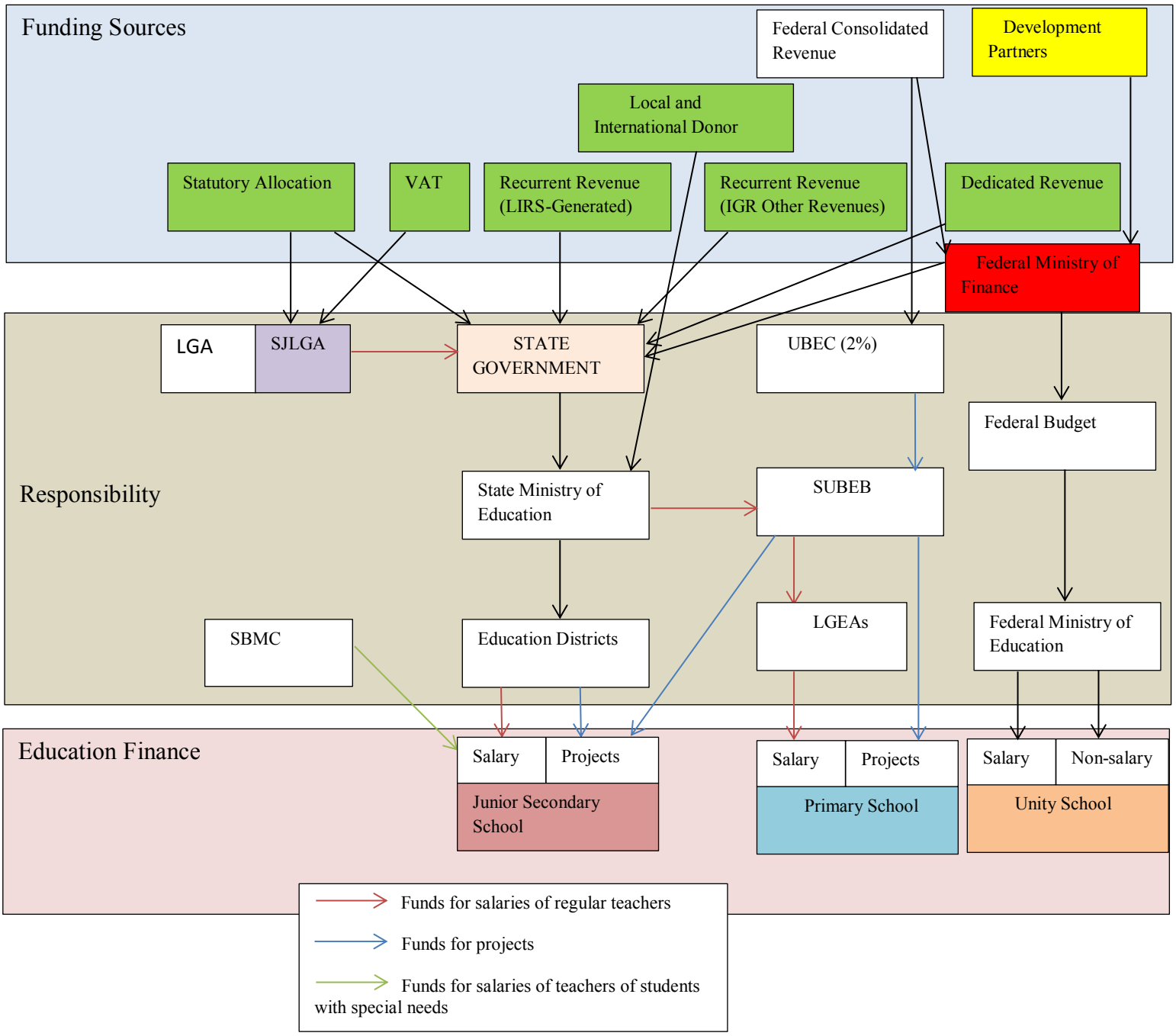
[17] Per 1999 constitution, LGAs are responsible for administration of primary schools. Since UBE Act 2004, this responsibility has been shifted onto LGEAs, leaving the LGAs sidelined entirely from administration of primary schools.

[18] The project is targeted at capacity building, learning outcomes, performance incentives and infrastructure.

management committee (SBMC) also supports in raising funds for critical outstanding areas of need, which include infrastructure, salaries of teachers of special needs children and exceptional students and are coordinated directly with the school.

50. In summary, Lagos State operates a relatively streamlined basic education system that end-users of funds understand quite well and has a fair balance of allocation-based and need-based options to shore up financing needs. The supply chain operational in Lagos State (Figure 3) contrasts well in comparison with Figure 1. In addition, Lagos State has the capacity to generate resources to meet demand-side needs through community-based and school-based interventions.

Figure 3: Lagos State Basic Education Supply Chain (Source: Survey Findings)

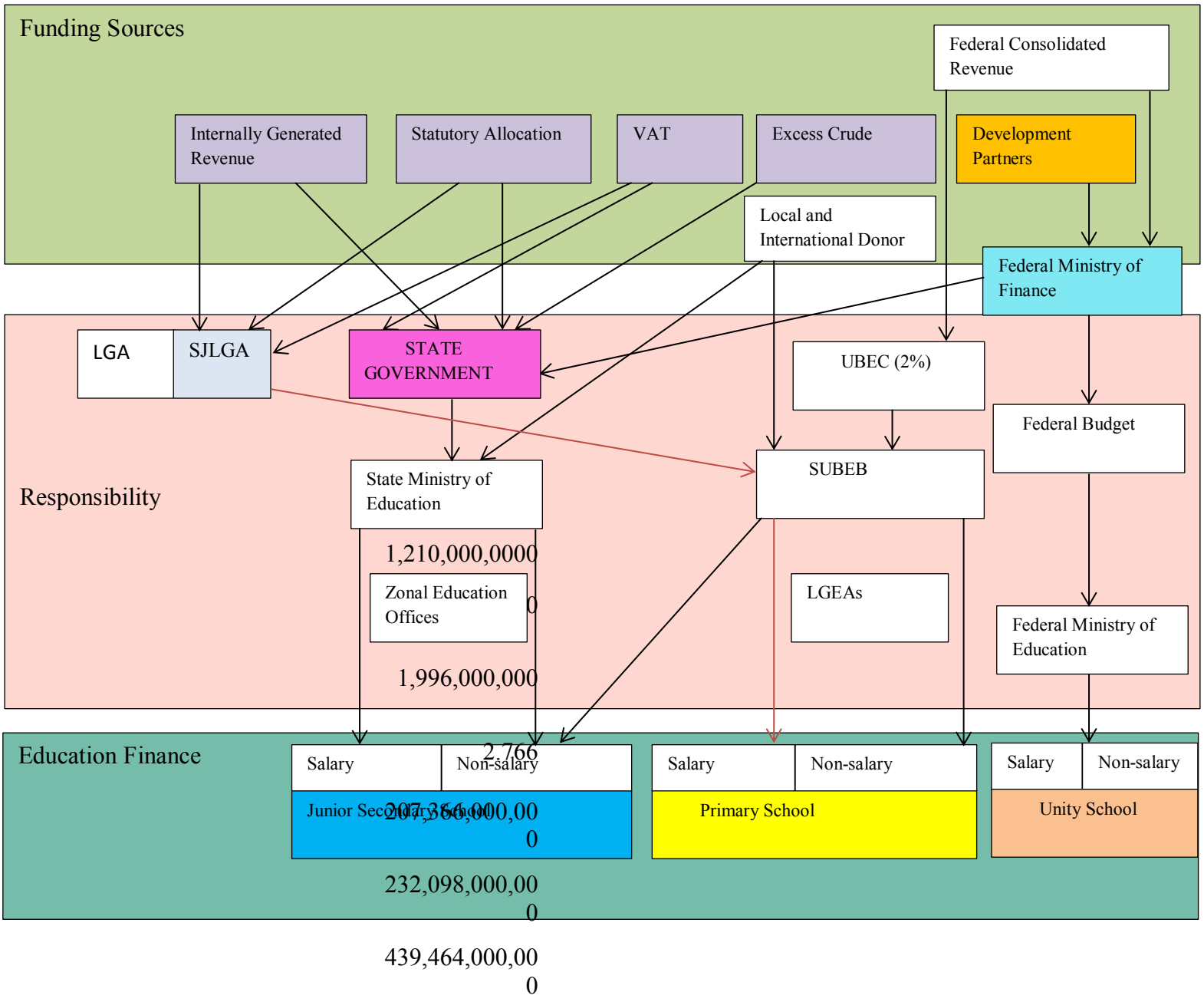


3.2.2 Kaduna State

51. The SMoE manages secondary schools through Zonal Offices (ZOs) while primary schools are under the direct management of SUBEB. JSS principals submit non-salary requests to ZO and receive supplies from them. Salaries of teachers are also paid by the SMoE through the ZOs. However, in contrast to Lagos, the JSS schools have no interaction with SUBEB. Donor agencies such as World Bank and JICA interact directly with SUBEB, and LGA funds for teachers' salaries are deducted at source from federal allocations and transferred to SUBEB. The SMoE does not interact directly with primary schools but only through the LGAs. Head-teachers submit non-salary requests directly to SUBEB and receive funds for such directly without passing the funds through the LGEAs. Teachers' salaries are also paid directly by SUBEB through the existing payroll system without involving LGEAs. Aside from allocations and international donor funds, Kaduna State lacks a robust framework for local financial support compared to Lagos. There is paucity of local philanthropy support as well as community-based or school-based sources of interventions. SBMCs exist and are active, but their contributions are reportedly minimal in comparison.

52. In summary, Kaduna State operates a streamlined basic education system that end-users of funds understand quite well but the schools depends nearly solely on top-bottom allocations that leave them more vulnerable (figure 4). Top-bottom allocations are well streamlined but capacity to generate resources for unmet needs through community-based and school-based interventions remains weak. As a result, the "non-visible" schools are chronically in resource deficits.

Figure 4: Lagos State Basic Education Supply Chain (Source: Survey Findings)



3.2.3 Bayelsa State

53. Bayelsa state represents a case of convoluted resource supply chain, weak capacity for M&E and inactive SBMCs. In recognition of these weaknesses, the UBEC in its quality assurance report enjoined the State to "keep relevant statutory and non-statutory records, ensure prompt utilization of UBE intervention funds and ensure the functionality of SBMCs in schools."[19] SMBCs do not participate in recruitment and selection of teachers whose salaries are typically paid by them. In practice, there are always shortages of resources for both recurrent and capital projects. A sampled JSS school reported up to 180 students per class who are taught by one teacher responsible for teaching all subjects. Additionally, tables, chairs and other facilities remain undersupplied. The school principals interviewed are not quite clear about where to submit requests for resources. As a result of these shortages, PTAs agreed that each student should be charged N200 per term in order to generate additional resources, in contravention of the provisions of the UBE Act.

54. The primary schools are chronically underfunded. Head-teachers seem unaware of the existence and function of LGEAs. Both head teachers interviewed are unaware of the source of primary school teachers' salaries. There are always shortfalls in supply of recurrent items (head-teachers complained of lacking chalk supplies for 3 months and salaries owed and unpaid for the same period) as well as capital items (classroom doors are broken and not fixed for over the same period). A sampled school reports no UBEC intervention since 2013. The sampled school reported that it was not sufficiently staffed, had 26 volunteer teachers who are not paid. Imprest of N14,000/month from SUBEB (to fund chalk and other items) are not regular, therefore unable to provide chalk for classes. School populations are growing due to the free public education in UBE as parents are unable to keep up with the costs of private schools. There could be up to 250 pupils in a class.

55. Amidst these shortages, there is weak or non-existent support from other sources and schools are forced to introduce levies. There is paucity of locally organized support and income generating capacity remains weak. SBMCs are not common, and when they exist they are inactive in serving their purpose. The PTA agreed to levy N1000 on pupils upon admission and N200/term to run the school's recurrent expenses.

56. In summary, Bayelsa State operates an unclear basic education system that end-users of funds do not understand. The basic education finance system depends solely on top-bottom allocations that leave the system vulnerable. The basic education finance system is potentially far from being effective and it's already failing the objectives of the UBE.

[19] UBEC Department of Quality Assurance, Report on Quality Assurance in Basic Education in Nigeria, 2012 volume 1.

3.2.4 Zamfara State

57. The structure of education supply chain in Zamfara is unclear and the State has weak capacity in the areas of M&E as well as low functional SBMCs.

58. Zamfara has not accessed an accumulated N437 million of block grants allocated to the state. While this might be due to lack of resources, it is more importantly a lack of political will and under-prioritization of education by the State government, despite its status as educational disadvantaged state. Thus, for some quarters or years, the schools received no funding for infrastructure from both federal and state governments. Head-teachers of sampled schools reported receiving no financial inputs from government but fund the schools through PTA levies of N50/child and sale of manure gathered by the pupils. A recent grant of N250,000 from UNICEF to the State was a notable source of support. In addition, Mothers' Associations, PTAs and SBMCs and Old Boys Associations contribute financial resources. These are the main sources of funds for recurrent expenditure (feeding of pupils, especially those who come from long distances), uniforms and learning materials, as well as capital expenditure such as equipment purchases and repair of boreholes. Although schools are not adequately funded, especially on infrastructure side, there is a sense that schools are managing to fund day-to-day activities. Public funds are very much limited at the primary school level compared to secondary schools.

59. While the government plays the larger role of regulations, PTAs and SBMCs exert strong oversight over school performance. Schools maintain attendance registers that are open to inspection by parents. Inspectors are regular in the schools, teacher discipline is enhanced by both State and local oversight

60. In summary, while the basic education resource supply chain is not clear, schools appear grossly underfunded from public sources, especially at primary school level, and they resort to local sources of finance. In effect, this resort also enhances accountability at school level.

3.3. Accountability Assessment in Schools

3.3.1 Assessment of education outcomes across States

61. Data on education funding at school levels are hard to come by. Spending per pupil at primary and pre-primary levels vary across states for various reasons including level of funding and variations in the cost of infrastructural items arising from local market conditions. Expectedly, spending per pupil at secondary level exceeds spending at primary level in Lagos State (Table 8). However, conditional on spending, a measure of accountability in the basic education finance system is the extent to which it enables resources to arrive at the time they are needed.

Table 8: Education spending per pupil in public schools (Nominal Naira Values)

State	Lagos [2009-2010]	Kaduna [2009]
Primary and Pre-Primary	37,913	11,731
Secondary	42,292	-

Source: SMoEs, Annual Education Sector Performance Report for various years,

62. Table 9 illustrates differences between the States in the degree of accountability of the education finance system. Compared to a national average of 12.5% of state spending on education out of total budgetary spending, education spending averaged 14.1% in Lagos and 12.3% in Kaduna over the period 2012-2014. However, the gap between the budget ratio (education budget percent of total budget) and the actual spending ratio (education spending percent of total spending) is wider in Kaduna (5.0%) than in Lagos (0.9%). The sample data for 2013 provided in the next panel shows substantial budget utilization gaps in Kaduna's education finance system relative to Lagos. At the end of the fourth quarter of 2013, compared to a benchmark of 100%, a total of 75% of education funds had been released by relevant authorities in Lagos State, compared to 35.3% in Kaduna. More than anything else, this signals critical challenges at the state level in Kaduna's education finance architecture. Additionally, although Kaduna's education finance chain is clearly streamlined (Figure 4), delays in implementing programs account for 4.3% under-utilization of funds released (gap between budget release rate and budget utilization rate). On the other hand, Lagos State recorded an over-utilization of 8% perhaps through supplementing gross releases with additional resources in order to meet funding timelines.

63. Differences in the financing architecture of Kaduna and Lagos States in terms of SUBEB (see Figures 3 and 4) seem to be playing out in the data in Table 8. In Kaduna, resources from SUBEB are utilized without the help of any intermediary, ensuring that SUBEB will likely perform better than the entire education system. Although budget release rates are lower for SUBEB than the entire education finance system in both States, the under-utilization rate dropped to 0.6% (from 4.3% for entire education system) for Kaduna SUBEB funds while over-utilization in Lagos only inched to 9% (compared to 8% for the entire education system).

Table 9: Education Funding and Utilization ratios (in percent)

	Lagos	Kaduna
Budget Ratios		
Education Budget/Total Budget [2012-2014]	15.0	17.3
Education Spending/Total Spending [2012-2014]	14.1	12.3
Public Education Expenditure share of Total Expenditures [All levels of government]	12.5 [2010-2012]	
Disbursement		
All Education Funds [2013]		
Budget Release by Quarter 4	75.0	35.3

Budget Utilization by Quarter 4	83.0	31.0
SUBEB Fund [2013]		
Budget Release by Quarter 4	54.0	20.4
Budget Utilization by Quarter 4	63.0	19.0

Source: ESSPIN 21st Quarterly Report October - December 2013

4. EQUITY IN BASIC EDUCATION FINANCING IN NIGERIA

64. The success of UBE program, in terms of the goal of equitable education outcomes, depends largely on making education spending responsive to needs. The program aims at attenuating disparities in education spending across states and regions as well as gender disparities in outcomes. Rather than uniform spending per-pupil, equitable distribution of resources, given disparities in education funding and outcomes, requires variation in level of education spending per pupil across geography in a way that channels more resources to more disadvantaged areas. The primary intention of the UBE Act (2004) is to provide "free, compulsory and Universal basic education for every child of primary and junior secondary, school age." Thus, in addition to improving the supply of infrastructure for conducive learning at school, the Act also makes it mandatory for every parent to send their children to school or risk fines or jail time or both. In implementation, schools are expected to be tuition free and students are provided furniture, meals and educational materials at no cost to parents

Section 4.1 assesses education spending in relation to the fiscal capacity, income, expenditure, and other indicators across states. Section 4.2 examines gender inequality in access to basic education in sampled states. Due to non-existent of data on educational spending by gender, the focus is however on gender enrolment across sample states.

4.1 Comparative Analysis of Equity and Fairness in Basic Education Financing Across States

65. In general, government spending on education is a primary avenue for redistribution of resource inputs with the purpose of achieving equitable outcomes. To measure efforts toward this objective, data on State spending relative to fiscal capacity is often employed. In this regard, Table 10 shows that Kaduna State fares quite well, with education budget accounting for up to 19% of the State budget while Lagos State was at 16%. In terms of actual expenditure relative to fiscal capacity (measured by GDP), Kaduna State at 4% did much better than Lagos (0.5%) and the National average of 1.7%.

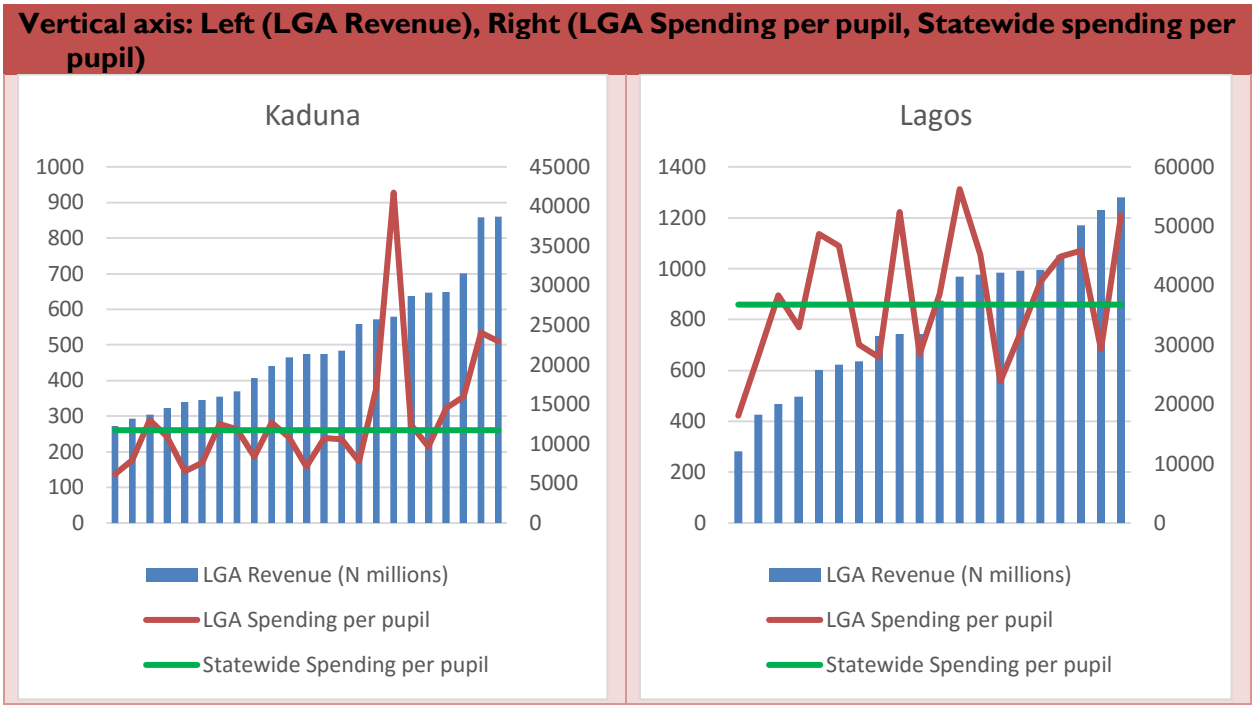
Table 10: Education Sector Resources 2011-2014 (in percent)

	2011	2012	2013	2014
Kaduna				
State Education Budget [% of Total State Budget]	18	18.0	17	19
State Education Expenditure [% of /State GDP]	2	2	3	4
Lagos				
State Education Budget [% of Total State Budget]	-	16	13	16
State Education Expenditure [% of /State GDP]	0.3	0.5	0.5	-
Nigeria				
Education Expenditure [% of GDP]	1.7 [2010-2012]			

Source: SMoEs, Annual Education Sector Performance Report for various years, World Bank (2015)

66. Figure 5 presents detailed data from Lagos and Kaduna States at LGA level during 2009/2010. The number of pupils per LGA had an average in Kaduna that was nearly double the average in Lagos (42,000 in Kaduna compared to 22,000 in Lagos) but a lower variation across LGAs in Kaduna than Lagos (coefficient of variation of 0.33 versus 0.39 in Lagos). While average spending per pupil in public primary school was higher in Lagos than Kaduna (N36,796 vs. N11,731), spending per pupil exhibited greater variation in Kaduna (coefficient of variation of 0.59 versus 0.28 in Lagos) and correlation between funding levels and Spending per pupil at LGA levels was stronger in Kaduna (0.54) than in Lagos (0.39).

Figure 5: Educational Revenue and Spending at LGA Level 2009/2010



Source: SMoE, Annual Education Sector Performance Reports

67. In comparison, spending per pupil increased with total revenues more significantly among Kaduna LGAs relative to Lagos LGA, whereas pupils were more evenly distributed in Kaduna LGAs relative to Lagos LGAs; and spending per pupil was less evenly distributed among LGAs in Kaduna relative to Lagos. These statistics could point to more funding being directed to needy areas more significantly in Kaduna relative to Lagos (for example chronic infrastructure needs which may not be sufficiently correlated with number of pupils, or better still negatively correlated with pupil enrolment because chronic needs deter enrolment). However, the finding that correlation between non-salary spending and enrolment was stronger than correlation between salary spending and enrolment in Kaduna while the correlations were equal in Lagos (see Figure 2) suggests that distribution of total revenue and spending (of which salaries accounted for 99% of total spending) across LGAs in Kaduna did not reflect better equitable distribution relative to Lagos but is more likely the consequence of spending on ghost teachers/workers.[20]

68. The coverage of public primary education, computed as the proportion of school-age children attending the state's public schools, compared to those not attending the state's public schools is presented in Table 10. For primary education, the ratios compare pupil enrolment with population aged 6-11 (projections). These coverage rates reflect four factors: 1) effort at public

[20] A staff audit conducted by the new administration in Kaduna State in 2015 revealed a total of 2,087 ghost workers in all the LGAs. Two ministries accounted for the majority of ghost workers, one of which is the local education authority that is responsible for primary education. See http://www.dailytrust.com.ng/news/kaduna/2087-ghost-workers-uncovered-in-kaduna-lgs/122465.html

provision of schools, 2) the strength of private sector engagement in education, 3) late entry and repeaters in primary schools, and 4) the incidence of Out Of School Children (OOSC). Overall, the private sector provides a greater share of primary education in Lagos State while the public sector is the main provider of primary education in Kaduna State (see Table 6).

Table 11: Comparison of Enrolment in Public Primary schools with population age 6-11 (%)

	Lagos		Kaduna	
	2009	**2013**	**2010**	**2014**
Boys	16.3	61.0	99.3	99.5
Girls	17.0	29.0	85.1	87.3
Total	16.7	44.5	92.2	93.4

Source: SMoE, Annual Education Sector Performance Reports

69. Table 12 provides the structure of total spending and education spending for the two states. While capital spending accounts for a dominant share of total spending in Lagos state, nearly three quarters of education budget is typically recurrent, a characteristic of social service sectors. Public education spending per child is higher at secondary school at N46,654 compared to N39,265 at primary level in Lagos. The distribution of education spending at State level reflects perhaps the traditional role of State governments as providers of secondary education. Using Lagos 2010 data, secondary education took the largest share of State-level education spending of 40% of total public education spending. Given that LGA funds and UBE Intervention funds jointly account for up to 90% of primary education spending (see Table 2), there is a strong likelihood that State governments simply remain focused on Secondary education.[21]

Table 12: Education Spending (N' billion)

	Lagos			Kaduna	
	2008	**2009**	**2010**	**2010**	**2011**
Total Spending	286.6	298.3	329.3	82.4	80.2
Recurrent	43.8%	40.4%	47.4%	45.0%	60.0%
Capital	56.2%	59.6%	52.6%	55.0%	40.0%
Total Education Spending	37.2	36.2	40.3	25.0	15.0
Recurrent	71.6%	75.4%	73.2%	40.9%	78.2%
Capital	28.4%	24.6%	26.8%	59.1%	21.8%
Education Spending per child per annum					
Primary			39,265		
Secondary			46,654		
Share of Public Education Expenditure					
Primary (& Pre-Primary)		32%	32%		
Secondary (& vocational, technical)		44%	40%		

[21] This may also explain the dominant share of public schools in enrolment at secondary school level in Lagos demonstrated in Table 6.

Tertiary		20%	20%		
Share of Recurrent Education Expenditure					
Primary (& Pre-Primary)		35%	37%		
Secondary (& vocational, technical)		38%	40%		
Tertiary		22%	20%		
UBE Intervention Fund					
Primary (& Pre-Primary)			65%		
Junior Secondary			35%		
Distribution of UBE IF					
Infrastructure			70%		
Instructional Materials & Furniture			15%		
Teacher Training			15%		

Source: SMoE, Annual Education Sector Performance Reports

70. The sharing of UBE intervention between Primary and JSS at a ratio of 65:35 implies more resources to the level where intervention is most required, with the hope that such spending will lead to improvement in educational outcomes at the preparatory level of education. However, given that Lagos typically has had very high literacy and school attendance rates and has been a foremost educationally advantaged State, it is yet to be seen if the additional spending aided by the intervention funding significantly induces parents on the margin to choose public school over private school (a form of crowding out private education spending), or induces parents on the margin between sending a child to school or keeping her out of school to choose education, or aids improvement in quality based on spending on instructional materials and teacher training and development.

71. Evidence from Household surveys demonstrates a negative correlation between spending on education and poverty count rates. That is, households in states where poverty headcount rate is high are spending lower fractions of their resources on education compared to household in states with lower poverty headcount rates. For example, the data shows that education accounted for about 2% of total expenditure of households in Zamfara where poverty headcount rate was estimated at 50%, whereas household in Lagos, where poverty headcount rate was estimated at about 20%, allocated about 15% of their expenditure on education. A plausible explanation for the finding is that wealthier households send their kids to as high as secondary schools more than poorer households (who would most likely educate their children to the extent that is free), and thus spend more on education. In addition, wealthier household are more likely to consume private education services than poor households who have fewer choices than free public schools.

Figure 6: Household Spending on education and poverty headcount rates

Source: World Bank (2015)

72. Educational disadvantaged States are achieving higher growth in enrolment as envisioned by the program. Data collected from our sampled states for the period 2010-2014 show that primary school enrolment grew in Lagos over the period by 4.6% compared to 86.6% in Zamfara and JSS enrolment growth rates were -0.8% and 0.0% respectively (Table 12). In Zamfara, enrolment of girls more than doubled (101.3% growth) over the period while boys' enrolment grew by 79.5% in primary schools; the corresponding rates were -6.6% and 15.5% respectively at JSS level. Increase in Primary school GER over the period was also higher for both boys and girls in Zamfara compared to Lagos. It is in the JSS category that Zamfara ranks quite poorly in comparison. Nevertheless the data implies that many more girls than boys of basic education age remain out of school in Zamfara as reflected in the slower and negative increases in GER and the fact that GER for girls were much lower than boys at the initial period (2010).

Table 13: Enrolment Changes in Selected States 2010-2014 (Number of pupils and percent)

	Lagos			Zamfara		
	2010	2013	Change	2010	2014	Change
Primary School Enrolment	462,284	467,566	1.1%	255,647	477,115	86.6%
Boys	228,016	230,165	0.9%	172,262	309,283	79.5%
Girls	234,268	237,401	1.3%	83,385	167,832	101.3%
JSS Enrolment	318,064	317,612	-0.1%	92,117	92,090	0.0%
Boys	154,883	156,237	0.9%	64,733	60,471	-6.6%
Girls	163,181	161,375	-1.1%	27,384	31,619	15.5%
Primary School GER	42	26	-16			
Boys	42	-		54	86	32
Girls	42	26	-16	28	50	22
JSS GER (Increase)	44	53	9			
Boys	43	-		48	50	2
Girls	44	-		21	19	-2

Source: SMoE, Annual School Census / Data Returns Lagos and Zamfara States

73. Overall, trends in out-of-school children (OOSC) suggest that more disadvantaged regions continue to experience growth in OOSC while more advantaged regions experience decline. Evidence based on analysis of data from General Household Survey Panel 2010/11[22] shows that rates of OOSCs were very large in North West and North East zones, with rates exceeding 50% in some states there, compared to under 30% in North Central and much lower in the Southern zones. By 2013, using data from Demographic and Health Survey (2013), the rate of OOSC increased in the North West and North East zones but decreased elsewhere in the country. While this is partly a consequence of higher population growth in the Northern zones compared to the rest of the country, it is also partly attributable to the weaknesses of demand-side interventions as demand-side factors play a more important role in school attendance in the North relative to the South. The finding that OOSCs in the North are more likely girls than boys implies the need to step up demand-side interventions in the region in order to achieve the equity targets of UBE.

74. To strengthen UBE and reduce the incidence of OOSC, State Assemblies or LGA councilors could take the further step of passing laws making basic education compulsory. The potential exists that passing an LGA edict could go further in driving awareness of compulsory education in remote communities than the federal Act would. However, States and LGAs would

[22] World Bank (2015), Governance and Finance Analysis of the Basic Education Sector in Nigeria, Report No. ACS14245

need to back it up with additional sources of money, outside those mandated by the Federal Act, to finance the surge in enrolments that would ensue.

4.2 Gender inequalities in access to basic education services across States

75. Gender inequalities in access to basic education has been declining over time, thanks to efforts by government, donors and development partners in advocacy and support for gender balance in access to education services, particularly at the basic level. Evidence from the data shows that while Lagos has overachieved gender parity in access, Kaduna State has made and continues to make progress.

Table 14: Gender Parity in Basic Education

	Kaduna		Lagos	
Enrolment	2010	2014	2010	2013
Primary	0.85	0.87	1.04	1.03
Junior Secondary	0.75	0.82	1.05	1.03

Source: SMoE, Annual School Census / Data Returns Lagos and Kaduna States

5. DETERMINANTS OF PROGRESS IN EDUCATIONAL OUTCOMES ACROSS STATES IN NIGERIA

76. There have been significant expansion in the number of schools, enrolment, and progression over the years since the UBE was first initiated in 1999. Table 15 provides a view of enrolment into JSS between 2003 and 2005 and progression to SSS exams (WASSCE) between 2009 and 2011, accounting for 6 years of instruction between enrolment and completion of secondary education. While data limitations preclude presentation of the picture over a longer horizon, the data shows progress in the outcomes. It should be noted that while dropouts should make the number of pupils reaching WASSCE in 2011 smaller in size compared to the cohort beginning JSS1 in 2005, the incidence of repeaters of WASSCE is a potential explanation for the growth rather than decline reported in the table. It is common to repeat the exam once or twice.

Table 15: Progress in Educational Outcomes

	Enrolment into JSS1			Enrolment for WASSCE			Minim. 5 Credits (Social Science, English Lan. & Math) %		
State	2003	2004	2005	2009	2010	2011	2009	2010	2011
Bayelsa	9,098	9,365	10,084	14,130	13,878	16,150	-	45.5	66.1

Zamfara	15,557	16,653	18,560	17,901	17,771	22,450	-	2.5	5.2
Kaduna	55,574	35,564	35,846	56,444	64,720	80,338	-	25.3	39.2
Lagos	110,769	111,018	186,037	164,173	151,168	145,291	-	39.0	49.3

Source: Annual Abstract of Statistics 2012

77. The quality of learning outcomes depends on financial resources but does so indirectly through low student-teacher ratio, class size and qualified teachers. Teacher's quality is identified as the most important school-related predictor of learning outcomes as the teacher occupies the central position in instructional settings and is the spark and key person in the drive toward progress. Thus, teacher education, motivation and satisfaction are critical to achieving meaningful progress in basic education. Appropriate utilization of teacher education components of UBEC grants and provision of motivational incentives for teachers and intending teachers are essential for ultimate success of UBE. However, there is a general lack of education of parents as stakeholders in basic education about national standards concerning class size and teacher qualifications.[23]

78. The private sector performs better than the public sector on account of educational inputs: pupil-teachers ratio, qualified teachers and pupil-classroom ratio, and the disparities are more pronounced at the primary education level. In Kaduna State, public primary education pupil-teacher ratio based on all teachers (qualified teachers) increased from 29 (51) in 2010 to 36 (52) in 2014 while decreasing from 19 (31) to 15 (20) over the same period in the private primary education sector. The teacher qualification gap is also wider in public schools than private schools. While public primary school pupil-classroom ratio was 68 in 2010 and 67 in 2014, the ratio declined from 34 to 26 in the private primary education sector.

79. Although pupil-teacher and pupil-classroom ratios are still higher in public relative to private JSS, the teacher qualification gap is narrower in public JSS relative to private JSS, narrowing from 4 in 2010 to 2 in 2014, compared to 12 and 5 respectively for private schools.

Table 16: Progress in Quality Education Inputs (in percentage)

	KADUNA				LAGOS			
	2010		2014		2010		2013	
	Public	Private*	Public	Private*	Public	Private*	Public	Private
Primary Schools								
Pupil-Teacher Ratio								
All Teachers	29	19	36	15	31	12	31	-

[23] Nearly all the heads of schools included in the survey declared that parents are unaware of the national standards.

Qualified Teachers	51	31	52	20	-	18	36	-
Pupil-Classroom Ratio	68	34	67	26	42	14	47	-
Junior Secondary Schools								
Pupil-Teacher Ratio								
All Teachers	29	19	28	15	34	12	29	-
Qualified Teachers	33	31	30	20	-	18	34	-
Pupil-Classroom Ratio	54	34	41	26	78	14	96	-

* All levels of private schooling

Source: SMoE, Annual School Census / Data Returns Lagos and Kaduna States, ESSPIN Lagos Private School Census 2010-2011 Report

80. Teacher's quality remains handicapped by the national policy on teacher training and recruitment. The Grade II Teachers Certificate was the main qualification for primary school teachers in the history of Nigerian education system until the National Policy on Education of 1981 stipulated that the National Certificate of Education (NCE) should replace the Grade II Teachers Certificate with effect from 1998. The provision was eventually enforced when the Universal Basic Education (UBE) was launched in 1999. Unfortunately, whereas the Grade II system trains teachers to be all-round specialists in the types of instructions required at the primary level, the NCE system was originally devised to train teachers in two specific subjects to be taught in secondary schools. This regulation is regarded as a proximate cause of the poor performance of pupils and students in the basic education system. The challenge of education quality seems to have morphed from "insufficient materials with good teachers" in the past into a problem of "sufficient materials with poor teachers" in recent years.

81. Increase in financial commitments to basic education is a key enabler of progress in outcomes in terms of enrolment, retention and outcomes. Financial resources from federal, state and household sources are found to be key determinants of school attendance in Nigeria (World Bank 2015). School principals and head teachers in sampled schools are confident that enrolment rates would increase if more public funds are made available to schools. At the least, more funds will provide meals and transportation for children from distant communities in educationally disadvantaged regions such as in Kaduna and Zamfara states. Also schools in Zamfara state tend to achieve better results due to multiplicity of funding sources, which include SUBEB, UNICEF (one time grant of N250,000), PTA levies, SBMC, Private Organizations (e.g. Mothers Association, Old boys association) and State Government (For State/Model Schools) at the primary school level, and PTA levy, admission fees, SBMC and SMoE at JSS. Resources from these multiple sources have supported the progress recorded in the State (See Table 11). In Bayelsa State primary schools system, State schools have better outcomes than Community schools (built by communities but operate under government supervision). It is common to find equipment such as computers, generator set, class rooms, air-conditioners, teaching materials, seminar halls and water borehole system in State schools than in community schools, despite management of both

types of schools by SUBEB and interventions in both types of schools. The differences in infrastructure funding bears out in the marked differences in educational outcomes between the school types.

82. Presence and support of donors and multilateral agencies have been critical in the progress achieved. In 2009, the World Bank and Lagos SMoE initiated the 4-year $90 million "EKO" project to complement the Lagos State's efforts to improve the overall quality of education in the state and enhance quality assurance in both junior and senior secondary education. The World Bank Group provides financial and technical assistance to improve capacity building by training manpower at secondary education level. The Bank also provides instructional materials to aid learning facilities in the State Public Schools. The program supports over half a million public school students in 671 secondary schools, over 7,000 teachers and school administrators, 12 special/inclusive schools. The project builds capacity of Education Districts and strengthens accountability through monitoring and other activities. A key feature of the project is the disbursement of yearly school development grants of between N1.5m and N4m to schools based on approved SIP and the student population. The school development grant is mainly for continuous teachers professional development, school management, and enhancement of physical infrastructure through minor repairs, provision of instructional materials/equipment, volunteer teachers and ICT.[24] The World Bank's review of the project's overall progress towards the project's development objective and implementation performance has been highly satisfactory.

83. However, sustaining the momentum could be challenging. The first phase of the EKO project ended in 2013 and sustaining the program has become a challenge in terms of commitment and appropriate policy design. As at today, the state government is yet to articulate a clear means of funding the program.

6 CONCLUSION AND POLICY RECOMMENDATIONS

84. The existing financing framework in Nigeria is largely ineffective, given that federal interventions in basic education funding plus matching monies raised by the states are insufficient to meet the resource needs of basic education, particularly infrastructure. In response, schools in some states have introduced different types of levies with the consent of parents and in contravention of the provisions of the UBE Act and to the effect of limiting the goals of UBE. To improve effectiveness, there needs to be re-prioritization of education at federal and state levels in order to enable more public spending on basic education. Institutional challenges to increasing education funding need to be identified and addressed. Schools across the basic education continuum need to raise significant resources aside from public funding. In support of this, efforts

[24] http://lagosekoproject.org/about-us/

need to be made to generate substantial resources from the organized private sector, individuals and communities, philanthropy and donors.

85. Donor funding and technical support has been instrumental in promoting effectiveness and accountability so far. States with substantial donor support have generally performed better than those without. This is a product of both financial resources and capacity development that forms a core part of their operational support. However, donor support should not be allowed to crowd out commitment of States to increase basic education spending from their resources. States that have benefited from donor support still have unfunded projects. Cost-effective capacity transfers could be achieved through peer-review mechanisms and learning exchanges at State and LGA levels.

86. Accountability of basic education in Nigeria is undermined by the convoluted and unclear nature of the supply chain, arising from superimposition of the financing infrastructure of UBE on existing infrastructure based on the provisions of the1999 constitution. Many principals in JSS and head-teachers in primary schools are unaware of how the financing architecture works and where to direct request for resources. To address this accountability deficit, there needs to be a streamlining of the funding resource chain in ways similar to what has been achieved in Lagos and Kaduna. There is also a need to educate all stakeholders including teachers and parents about how the supply chain works.

87. Capacity for M&E at SMoE and SUBEB, and functionality of SBMCs are the critical drivers of accountability in the basic education system. Capacity for data collection, analysis and quality improvement remains weak in all the states, thus hindering availability of comprehensive data on education spending and outcomes to guide analysis. However, support from NGOs (such as ESSPIN) helps to bridge the gap in states where they are present. In addition, states with substantial donor funding of projects exhibit stronger capacity for M&E as funding is complemented by donor-initiated M&E frameworks. In addition, states with active and functional SBMCs have stronger oversight on personnel and educational outcomes. In effect, accountability of the system is based on the standard who-pays-the-piper-dictates-the-tune attitude.

88. Given the important oversight role that SBMCs play in schools where they are active, efforts should be devoted to developing their functional capacity across the country. Programs such as ESSPIN are devoted to this effort, but there is need for nationwide coverage of these efforts. This development can be the foundation for direct school finance by donors, development partners, individuals and philanthropies with interest in financing basic education. To boost M&E capacity at SUBEB, there may be a need to earmark funds for planning and monitoring as part of the support offered by the State governments through SMoEs.

89. Evidence from the present study shows that expenditure on basic education is sensitive to income and wealth across states, creating regional disparities. Thus the existing approach of

allocating uniform matching grants by UBE program has not achieved the goal of promoting equity in basic education financing. Thus UBEC needs to restructure their financing approach to reflect the needs and gaps across states.

90. Given the important role of teacher's quality in determining learning outcomes, the government needs to revisit teacher training, motivation and continuous development in order to produce more effective teachers suitable for primary education. The current policy stipulating NCE as minimum qualification for teachers instead of the Grade II teacher training may have been formulated with good intentions. However, it is reportedly a contributor to the poor quality of instruction and outcome at primary school levels. Stakeholders in the education system need to recognize the failings of the education system on this account and review the regulations appropriately.

91. There is a need to look more into demand side of basic education especially in the Northern zones. The incidence of OOSC is rising in the Northeast and Northwest zones. Although insurgency could explain part of this, OOSCs are also growing in non-insurgency areas. Cultural and economic constraints to demand for education require examination and efforts to relax them at household and community levels. These can be achieved through direct transfers to communities, parents or students, depending on what works in different contexts. More research is required to support such efforts.

7 CLARION CALL

This report makes clear the importance of need-based allocation mechanism, streamlined resource supply chains, strong M&E framework and adequate education of all stakeholders to an effective, accountable and equitable basic education financing framework. It also shows that teachers' quality, pupil-teacher ratio and pupil classroom ratios are important channels through which increased funding affects educational outcomes. Therefore, all stakeholders in basic education need to do more to improve the quality of basic education available in the country.

The federal government needs to urgently consider raising UBEC funding beyond 2% of its Consolidated Revenue Fund. In turn, UBEC needs to work on moving its grant allocation mechanism from equal-shares-per-state to a truly need-based system. The State Ministries of Education (SMoEs) need to educate all stakeholders (especially parents and teachers) about the basic education finance system and to help streamline the resource chain. Parents also need to demand accountability in the education of their children by monitoring the performance of their wards and the schools, while also lending their voices in support of accountability in school funding. Donors are also encouraged to allocate higher portions of their education support to basic education where equity in education outcomes is best addressed and poor people can best be reached, and to strengthen and support the SBMCs through finance and capacity-building. The general public is also called upon to support the basic education system by making donations to their Alma matters. The support of community leaders and village heads are also needed to ensure that children are sent to school.

REFERENCES

Ajetomobi and Ayanwale (2005), Education Allocation, Unemployment and Economic Growth in Nigeria: 1970 – 2004

ESSPIN Quarterly Report, various years

Fafunwa, A. B. (2004). History of Education in Nigeria. Ibadan: NPC Educational Publishers Ltd.

Federal Ministry of Education (2000) on UBE guidelines.

Kaduna State Ministry of Education Annual Education Sector Performance Report, various years

Lagos State Ministry of Education Annual School Census Report, various years

Nwoko, Chinedu (2015), Financing Education in Nigeria: Opportunities for Action, Country Case Study for the Oslo Summit on Education for Development

Osili, Una Okonkwo and Long, B. T. (2008) Does Female Schooling Reduce Fertility? Evidence from Nigeria. Journal of Development Economics 87(1): 57-75

UBEC Department of Quality Assurance, Report on Quality Assurance in Basic Education in Nigeria, 2012 volume 1.

World Bank (2015), Governance and Finance Analysis of the Basic Education Sector in Nigeria, Report No. ACS14245

APPENDIX A: Summary of Stakeholders in Basic Education in Lagos State

Stakeholders (MDAs)	Roles/Responsibilities	Interest	Level of Influence
Ministry of Education	Policy formulation and implementation, Supervision and Control, Setting Standards/Quality Assurance, Monitoring and Evaluation, Coordination and Communication and administration/supervision of State Examinations.	Education Policy Formulation and Supervision	High
Office of the Special Adviser on Education	Overseeing the administration of some agencies in the sector, such as the library Board, Scholarship Board, Agency for Mass Education and Tertiary Institution.	Monitoring and Regulation activities	High
Education Districts	Responsible for administration of secondary school education and staff welfare.	Policy Implementation and Maintenance of Standard	High
Teachers Establishment and Pension Office	Responsible for capacity development of secondary school teachers, establishment and pension matters.	Training, Pension and Staff Welfare.	High
State Universal Basic Education Board (SUBEB) Lagos	Implementation, Supervision and Control, Setting standards/Quality Assurance, Monitoring and Evaluation, Co-ordination and Communication of Educational Policies for Pre-Primary and Basic education in the State.	Administration and Management of Basic Education in the State	High
The Local Government Education Authorities	Responsible for the administration of Basic Education at the Local Government Level	Policy Implementation and Maintenance of Standard	High
Lagos State Technical and Vocational Education Board	Administration of Technical and Vocational Education	Policy Implementation Capacity Development and Skill acquisition.	High
Student/Pupils	Learning	Quality Education	High
Development Partners	Technical and financial assistance for education	Intervention and Improving Standards	Medium
Civil Society Organization	Private Partnership, Monitoring and Evaluation, Impact Assessment	Quality Education	Medium
Organized Private sector	Execution of projects and initiatives, and partnership with the state to strengthen the education sector	Quality Education and School Support	Medium
National Board of Technical Education	Moderates curriculum contents and ensures quality control at the polytechnic Level	Regulation of standards	High
Federal Ministry of Education	Policy formulation and curriculum development	Quality Control	High

Examination Bodies	Conduct of Placement Test and other External Examination	Test Development and Administration	High
School-Based Management Committee/Parents	Resource Mobilisation and Advocacy for Increased Enrolment	School Support	Medium
Teaching/Non-Teaching Staff	Teaching and School Administration	Knowledge Dissemination and Skills Development	High

Source: Lagos State Government Annual Education Sector Performance Report 2013

Donors and NGOs in Basic Education in Lagos State

DONOR	TYPE OF SUPPORT	SUB SECTOR SUPPORTED
ESSPIN	Grants & Technical Support	Basic Education
SAVI	Baseline Study	Basic Education & Senior Secondary Education
UNICEF	Grants & Technical Support	Primary Education
World Bank	Financial Support/Loans	Secondary Education
Faith Based Organization	Donations	Basic Education & Senior Secondary Education
Corporation Organisations	Donations	Basic Education & Senior Secondary Education

Source: Lagos State Government Annual Education Sector Performance Report 2013

APPENDIX B: Survey Instruments

ASSESSING EQUITY IN BASIC EDUCATION FINANCE WITH PARTICULAR FOCUS ON GENDER DISPARITY

In the below Table 1, specify 'YES' if the document or data sources were available and received; Specify 'NO' if not available or not received; Specify 'PARTIAL' if only 'some' were found or received.

Table 1

Items	YES	NO	PARTIAL
Education financing by level of education (basic, technical, and higher education) in Lagos State (L.G.As) (2000-2015)			
Lagos State (L.G.As) per-pupil total revenue (2000-2015)			
Lagos State (L.G.As) per pupil basic education spending (2000-2015)			
Lagos State (L.G.As) pupil/teacher ratio (2000-2015)			
Lagos State (L.G.As) Basic education financing by gender (2000-2015)			
Lagos State (L.G.As) Poverty incidence 2000-2015			
Lagos State (L.G.As) per capita income (2000-2015)			
Proportion of school-age children attending the state's public schools in Lagos State (2000-2015)			
Proportion of school-age children not attending the state's public schools in Lagos State (L.G.As) (2000-2015)			
Lagos State Basic education financing (L.G.As) (2000-2015)			
Performance of Primary and Junior Secondary School students in Lagos State (L.G.As) in Common Entrance and JSSCE Examination (in English and Maths) (2000-2015)			
Basic education primary and junior secondary school enrolment rate in Lagos State (L.G.As) by sex (2000-2015)			
Basic education primary and junior secondary school completion rate in Lagos State (L.G.As) by sex (2000-2015)			
Funding of special education needs in Lagos State (L.G.As) (2000-2015)			

ASSESSING BASIC EDUCATION FINANCIAL AND STAFF ACCOUNTABILITY ACROSS VARIOUS EDUCATION INSTITUTIONS AND STAKEHOLDERS IN NIGERIA, TO IDENTIFY GAPS IN PRACTICES AND OUTCOMES

Part I

I will like to ask some questions on the school organization structure, teacher's initiatives, transparency in school activities, and educational outcomes. (Moderator: Ensure to obtain a 'Yes' or 'No' responses where required and also probe further for the reasons where necessary)

Does your school have an elected School Management Committee (SMC) or school council that includes parents and other community members?

……
……
……

Does the SMC influence the selection of the director or headmaster of your school?

……
……
……..

Do inspectors visit your school three or more times per year on average?

……
……
……..

Do inspectors personally observe teaching performance [versus simply reviewing records in the headmaster's office]?
……
……
…….

Do headmasters and/or inspectors prepare written evaluations of teachers each year?
……
……
…….

Do SMCs and/or headmasters submit evaluations of inspectors to their [the inspectors'] supervisor as part of the inspector's annual performance evaluation?
……
……
…….

Can the school director or SMC recruit and select their own government-financed teachers?……
……
…….

Can the school director or SMC recruit and select their own locally-financed teachers?
……
……
…….

Do different levels of government (e.g. national education ministry vs. state education ministry) usually agree about who should make particular decisions?
……
……
…….

If the school director and/or SMC misappropriate school monies, are they likely to be caught?
……
……
…….

If a teacher is frequently absent from the classroom, is the teacher likely to be fired or otherwise punished?
……
……
…….

If a particular teacher performs especially poorly in teaching children, are there any negative consequences for the teacher?

……
……
…….

If your school performs especially well, given its circumstances, is there any reward for the school or its teachers?

……
……
…….

Are teachers contented with current salary structure?

……
……
…….

Do parents receive an annual report on the financial and academic performance of your school?

……
……
……..

Is the budget of the school posted in a visible place in the school for all parents to see?

……
……
…….

Does your school inspector assess the quality of schooling and make recommendations for its improvement?

……
……
…….

Is your school inspector's report visit posted in a public place for parents to see?

……
……
…….

Do parents know how well your school performs academically compared to other schools in the area or in the country?

……
……
……..

Do parents know how often teachers are absent from the classroom in your school?

……
……
…….

Do parents know the national standards concerning class size, teacher qualifications, and student achievement levels?

……
……
……

Do teachers and parents know how well your school meets national standards?
……
……
……

Is there a national assessment system – standardized exams, school leaving exams, etc. – which provides information on your school's academic performance on an annual basis?
……
……
……

What is your students' average performance (in %) in national exams?
……
……
……...

SECTION B (SECONDARY DATA)

DETERMINANTS OF PROGRESS IN EDUCATIONAL OUTCOMES ACROSS STATES IN NIGERIA
Part 2:
In the below Table, specify 'YES' if the document or data sources were available and received; Specify 'NO' if not available or not received; Specify 'PARTIAL' is only 'some' were found or received.

Items	YES	NO	PARTIAL
Primary one school enrolment (2008-2010)			
Number of pupils sat for Common Entrance Examination (2013-2015)			
Number of successful pupils in Common Entrance Examination (2013-2015)			

Centre for the study of the Ecconomies of Africa(CSEA)
No.4 Dep Street Off Danube Street.
Matiama,Abuja,Nigeria
Website:www.cseaafrica.org
Email:enquiries@cseaafrica.org
Tel:+234092914822 +234092914820

the
Education
Commission

The International
Commission
on Financing Global
Education Opportunity

educationcommission.org