Country and Sector Background

1. The Lagos Eko Secondary Education Project (“Eko” is the Yoruba word for education) will support the main objectives of the Nigeria Country Partnership Strategy (CPS) and the implementation of the education sector plan for Lagos State. Lagos was selected on the basis of (a) its demonstrated commitment and ownership to the development of the education sector; (b) poor quality of public education, especially in urban slum areas; (c) its significant role in Nigeria’s economic growth; and (d) the quality of its Education Sector Plan (ESP).

2. **Country context and macro-economic situation.** Nigeria is the largest country in Sub-Saharan Africa in terms of population (estimated around 140 million) and has a decentralized
government structure. There are 36 States and the Federal Capital Territory (FCT) and 774 local government areas (LGAs). Despite being the 6th largest exporter of oil, Nigeria is one of the poorest countries in the world with per capita income of US$620, and with a very high level of inequality—approximately 54 percent of the population is estimated to be poor. Nigeria’s oil revenues grew from an annual average of about US$15 billion between 2000 and 2003 to about US$36 billion annually between 2005 and 2008. On the macroeconomic front, real GDP growth was 6.3 percent in 2007, and is projected to increase further in 2008 but at a lower rate due to the global economic slowdown and falling oil prices. Inflation rates of 40 percent per year in the 1990s declined to a range of 14 to 18 percent during 2001-2005 and to single digits in 2007; and in spite of recent increases in food and energy prices, inflation was under 15 percent in 2008.

3. **Lagos State macro-economic situation.** Lagos is a predominantly urban state, with an estimated population of 9 million. It is a mega-city of dominant economic importance not only for Nigeria but in West Africa. It is the premier manufacturing and port city in the region with the largest concentration of multinationals and financial institutions in the country. Lagos is the second largest contributor to the GDP of Nigeria. The state accounts for about 80 percent manufacturing value-added in Nigeria and over 65 percent of its commercial and industrial activities. Lagos has over 2000 industries and over 250 financial and allied institutions with the most active stock exchange in the country. Despite its dominant economic status in Nigeria’s non-oil economy, Lagos is a poor city with poor social indicators. Although its annual budget dramatically improved in the last three years, it remains small relative to the resources necessary for adequate service delivery and infrastructure. According to the NLS survey, 67 percent of the population of Lagos lives on less than one dollar a day and, as such, are considered to be poor. The poverty ranking of the state is 23rd out of the 36 states in the Federation. Lagos has one of the highest incidences of poverty and inequality in the country. Overall, Lagos ranks 11th in terms of poverty incidence and 1st in terms of inequality. Almost 70 percent of the Lagos population lives in slums in extremely poor environmental conditions.

4. **Nigeria’s education sector.** Nigeria’s education system comprises 9 years of basic education (6 years of primary and 3 years of junior secondary), 3 years of senior secondary, and 4 years of tertiary education. The provision of education is a concurrent responsibility of the federal, state and local governments, with a fast growing private education sector also active at all levels of the education system, especially at the primary level. The Federal Government plays a dominant role in the provision of post secondary education, while state and local governments have principal responsibility for the provision of secondary and primary education. The Federal Government also provides additional direct funding for education at the state and local government levels through the Universal Basic Education Commission (UBEC) for the implementation of the Universal Basic Education program (UBE), the Education Trust Fund (ETF), which is mainly for physical infrastructure, and the virtual poverty fund from the debt relief initiative, for the achievement of the Millennium Development Goals (MDGs).

---

2 The 2006 Nigerian census puts the population of Lagos at 9 million, but the authorities of Lagos have disputed this figure. According to the Lagos Central Bureau of Statistics, the population is closer to 17.5 million (2008) with annual population growth of roughly 4% over the last 10 years. World Urbanization Prospects (2003) estimated the population as 11 million.
5. **Lagos education sector.** Lagos State offers tuition-free education for basic and secondary education. As of 2008, 11,387 schools (public and private) enrolled an estimated 2.3 million students. Of these schools, 1,030 are public primary, 319 public junior secondary and 318 public senior secondary schools with enrollment of about 1 million students. The Ministry of Education reports 7,511 private primary schools, 1,172 private junior secondary and 1,037 private senior secondary schools, although officials agree that these figures are substantially underestimated since the number of private schools is difficult to capture, given that many are unregistered. For tertiary education, the state also has 5 public technical colleges, 5 universities (2 public and 3 private), 2 polytechnics, 1 monotechnic and 4 Colleges of Education. The high demand for education, combined with the ever-growing population has spawned a dramatic growth of private schools over the last two decades, especially at the primary level. As a result, the majority of lower income groups in Lagos enroll their children in public schools, particularly at the secondary level, whereas the majority of the middle and high income groups send their children to private schools. For example, most civil servants in Lagos send their children to private schools. Only 57 percent in the poorest quintile attend secondary school, compared to 94 percent in the highest income quintile (CWIQ, 2005). Out of school youth (roughly estimated between 1 and 2 million\(^4\)) remains a considerable challenge in Lagos where the opportunity costs of attending secondary school are high and the availability of quality public secondary education is constrained by the enrolment "bulge" from the high completion rates in primary education and fast increasing population. However, it should be noted that the Lagos household survey showed that the State has a high adult literacy level (93 percent).

### Table 1: Total Number of Academic Schools in Lagos State (2007/08)

<table>
<thead>
<tr>
<th>Public</th>
<th>Number of Schools</th>
<th>Enrolment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>1,030</td>
<td>454,808</td>
</tr>
<tr>
<td>JSS</td>
<td>319</td>
<td>318,664</td>
</tr>
<tr>
<td>SS</td>
<td>318</td>
<td>265,233</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,667</strong></td>
<td><strong>1,038,705</strong></td>
</tr>
<tr>
<td>Private</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary</td>
<td>7,511</td>
<td>907,767</td>
</tr>
<tr>
<td>JSS</td>
<td>1,172</td>
<td>182,218</td>
</tr>
<tr>
<td>SS</td>
<td>1,037</td>
<td>168,841</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>9,720</strong></td>
<td><strong>1,258,826</strong></td>
</tr>
<tr>
<td><strong>Total Public and Private</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary</td>
<td>8,541</td>
<td>1,362,575</td>
</tr>
<tr>
<td>JSS</td>
<td>1,491</td>
<td>500,882</td>
</tr>
<tr>
<td>SS</td>
<td>1,355</td>
<td>434,074</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11,387</strong></td>
<td><strong>2,297,531</strong></td>
</tr>
</tbody>
</table>


---

3. It is difficult to estimate the number of private schools since many are neither registered nor have applied for registration. New schools are being established at a far greater number than can be accurately monitored.

4. The EFA Action Plan from 2004 estimated 2.5 million out of school children, although the most recent EMIS data suggests 1.3 million not enrolled in school between 6-14 years of age. The lack of data on private schools and unavailable population figures makes it difficult to estimate.
6. Lagos’s education sector faces several critical challenges, including: (i) low access to junior secondary and senior secondary education for the poor; (ii) poor quality of education at all levels, leading to weak skills development and limited employability; (iii) inadequate funding and lack of accountability/quality mechanisms; (iv) limited capacity for policy making, management, and monitoring and evaluation; (v) weak alignment of curriculum to labor market needs; and (vi) large private provision of primary and some secondary schools not systematically monitored or supervised by the State. The Lagos Eko project will focus only on addressing several of these issues.

7. **Government strategy.** At the federal level, the Federal Government launched the UBE Program (1999) making it compulsory for every child to receive nine years tuition free education, and the UBE bill was passed in May 2004. In 2003, the Government prepared the NEEDS, a major multi-sectoral reform program that sees educational reforms as a vital transformational tool and instrument for socioeconomic empowerment. In June 2005, a National Committee was inaugurated to monitor and allocate additional funds from the debt relief funds for the achievements of the MDGs. The Federal Government launched a major education reform program in 2006, which stressed the importance of institutional reforms to improve the efficiency and effectiveness of service delivery at all levels of education.

8. **At the state level,** the Lagos State economic and empowerment development strategy (LASEEDs) was developed in 2007, recognizing that enhancing the Lagos State citizens’ access to education can help reduce extreme poverty and provide empowerment. The Education Sector Plan was subsequently presented in October 2008 and aims to provide accessible, equitable, quantitative and qualitative education for all, fostering self-reliance and socioeconomic development in Lagos. The ESP broadly lays out guidelines for strengthening and expanding educational opportunities at all levels from ECCD to tertiary. The Bank and DFID are working with the State to finalize the ESP and support key areas. More recently, the Ten Points Agenda, also referred to as the Lagos Economic Advancement Program (LEAP) sets out the main strategies for achieving efficient and adequate social services and infrastructure to stimulate and create gainful employment through such educational policies as the construction of millennium schools, curriculum review, rehabilitation of all schools and libraries, provision of school furniture and equipment, self-sustaining tertiary education and teachers welfare enhancement.

**Objectives**

9. The proposed credit would support the Lagos government’s priority of human capital development by directly supporting public junior and senior secondary schools through school grants, performance-based incentives, teacher training and standardized testing of its students. The development objective of the Lagos Eko project is to improve the quality of public junior and senior secondary education in Lagos State. The project will support over half a million public school students in 637 secondary schools, over 5,385 teachers, 1,700 school administrators and will strengthen the capacity of district, state and education institutions to deliver quality education services. The operation would be a four-year investment complementing ongoing government reforms and programs. Using tools such as school grants and student assessments, the project will address the promotion of school learning, effectiveness, and quality assurance. Support to the five technical and vocational colleges will further enhance linkages to the labor market.
Rationale for Bank Involvement

10. The rationale for bank support for the Lagos education sector is outlined below:

a)  *Strong political ownership and commitment to the education sector.* Lagos has embarked on substantive economic and governance reforms since 1999. A new Government was elected in April 2007 on a platform that put education reforms at the top of the agenda. A set of PHRD supported studies have helped to inform the design of the project components. Textbooks in core subjects (English, Math, Integrated Science, Biology, Computer Science, Agric Science, Yoruba) have been purchased (N2.9 billion) and were recently distributed to all public school children. Funding will be set aside in subsequent years for replacement stock. Approximately N37 million has been spent on teachers guides in these core subjects. Over N12 billion has been spent since June 2007 on new construction, rehabilitation and school furniture. Additional support for infrastructure upgrading is being provided through the Lagos Metropolitan Development Governance Project (LMDGP).

b)  *Poverty targeting in Lagos.* Lagos has poor education indicators, especially affecting poor households. Despite the relatively good gross enrollment indicators and low gender disparities in primary education, there remain a very high absolute number of poor households and children not receiving quality education services and/or not completing the general education cycle. Most poor children do not have access to quality basic and secondary education (GER 40 percent), resulting in high drop out and low completion rates and poor education outcomes. By targeting public secondary education, the project will focus on students from poor families.

c)  *Role of Lagos in Nigeria’s economic growth.* Supporting the quality of secondary education will directly contribute to the skills/growth agenda that is vital for Lagos, given its national strategic importance as the major commercial/financial and logistical hub for Nigeria and the West Africa region. The Lagos education system provides opportunities for children from other parts of Nigeria as evidenced by the high percentage (almost 90 percent) of students that are from other States and/or Zones of origin taking the JSS examination.

d)  *Strong historical Bank support to the state.* The Bank has a strong historical program of support to the Lagos government’s development program. The Bank’s engagement would enhance policy guidance to the SMOE and provide linkages between the Bank and other projects that are supporting Lagos state. Collaboration between the LMDGP and Lagos Eko is providing synergies for school construction under the former project and delivery of services under the latter. The previous UBE project established a precedent for project support directly to schools (through self-help grants) by working through departments within both the SMOE and SUBEB. In addition, the state has a well-established PFMU to handle bank-financed financial management activities.

---

5 CBUPD, LMDGP; and CDD projects. The Lagos Partnership Strategy (2009) is under preparation to support an integrated vision of donor coordination in support of Lagos development strategy.
Project Description

11. The Lagos Eko project will be implemented as a four-year SIL of US$95 million (of which US$5 million will support Federal Ministry of Education strategy and oversight activities).

12. **Component 1: Promoting Secondary School Effectiveness through School Development Grants (Estimated base cost of US$62.6 million).** The objective of the school development grants is to raise education outcomes in junior and senior secondary education by providing public secondary schools access to yearly discretionary resources with an explicit focus on improving the quality of education services as priority needs are defined at the school level. School progress will be rewarded through additional performance grants for the top 40 percent of schools based on criteria for measuring quality improvements (i.e., test scores, teacher attendance). Grants based on private-sector partnerships also will be provided for the five technical colleges.

13. **Subcomponent 1.1: Secondary School Development Grants (Estimated base cost of US$45.6 million):** The grants will be provided annually to all public secondary schools, to augment schools’ non-salary expenditures to improve learning performance. The initial grant is expected to be between ₦2 and 3.5 million (approximately US$13,000-23,000) depending on the size of the school. Approximately 632 schools and 5 technical colleges would receive the grant based on an approved school improvement plan which would include activities that impact student learning outcomes. Training will be provided to school leaders, district officers, and SBMCs/SBCRCs in school improvement planning and grant operations. Project Implementation Committees (PICs) would be formed to prepare the school improvement plans. Proposals would be reviewed and approved at the District level and endorsed at the State level. The execution of the grants will be facilitated and monitored by Zonal Project Administrators (ZOPAs) to ensure standards of reporting and accountability are upheld. In Lagos, junior secondary schools already have experience in grant operations through the provision of monthly resources for operational expenditures from the SMoE and the provision of self-help funds from UBEC. However, due to limited resources at the State and LGA levels, most schools do not receive sufficient funding to support their needs. It is expected that by the fourth year of project implementation, assessment scores in core subjects of the secondary schools will increase from project baseline.

   a) In order to encourage interventions that will show results in improving learning, infrastructure expenditures will be capped at (30 percent) of grant resources. Investments in school infrastructure improvements are being planned for under State budget allocations with support from UBEC and ETF, and from the Bank supported Lagos Metropolitan Development Growth Project (US$25 million for school construction/rehabilitation). Examples of activities that could be supported are: (a) instructional materials and other learning inputs; (b) training opportunities for teachers; (c) teacher development and support programs; (d) lab equipment; (e) academic competitions and prizes; (f) allowances for volunteer teachers; (g) remedial courses; (h) library books; (i) reading enrichment; (j) strategies for skill development programs/ICT to improve secondary teaching and learning; and (k) innovative activities (e.g., preparation of school-level educational management information systems). The School
Development Grants Manual (SDGM) will provide guidance on eligible expenditures and implementation of this component.

b) About 9,400 principals, vice principals, inspectors, ZOPAs and other officials at the district and LGA, including the School-Based Management Committees, will be trained on the establishment and monitoring of school improvement plans, grant implementation, effective schooling, preparation of annual student performance improvement plans, financial management and grant performance monitoring and reporting.

14. **Subcomponent 1.2: Secondary School Performance Awards (Estimated base cost of US$10.3 million):** The objective of this subcomponent is to sustain the gains made in learning outcomes by providing additional performance based resources to qualifying schools. These follow-on grants would reward the schools for progress in improving learning outcomes and would be used to fund activities eligible under subcomponent 1.1. The awards would be given to schools which have achieved improvements based on the school’s composite score in standardized tests in English, mathematics, and science as compared to previous year’s results; significant improvement in teacher attendance; and organization and demonstrated evidence of participation by a school-based management committee. Standardized learning assessments and achievement tests will be administered on a yearly basis and determined electronically at the Lagos State Board of Examinations. The expected outcome of this sub-component is that principals and teachers make concerted effort to maintain or raise the level of achievement of their students. It is expected that by the fourth year of the project, at least 40 percent of secondary schools maintain learning gains. The quality assurance/measurement tools will be supported and financed under Component 2.

15. **Subcomponent 1.3: Public-Private Partnership Grants in Technical Education (Estimated base cost of US$6.6 million):** The objective of this sub-component is to improve the quality of teaching, research and skills development at the technical colleges and make them more relevant to the demands of employment and entrepreneurship in Lagos. The five technical colleges (enrolling 5,374 students) would receive additional funding in order to strengthen the linkages between the colleges and industry. Funds of up to N40 million (US$285,000) would be provided for twinning arrangements between the private sector and technical colleges to strengthen the linkages between skills training and labor market demand. Cooperation between technical colleges and private sector industry, professional associations, and/or private institutions is expected to lead to more relevant teaching, research and development activities. The first year of the project will be devoted to capacity building for the technical colleges to develop their PPP proposals. The expected outcomes of this subcomponent are that graduates of the technical colleges find gainful employment, pass the relevant academic or professional exams, and/or are admitted to post-secondary institutions. This subcomponent would support partnerships between the technical colleges and private sector, strengthen the school-industry advisory agency (LASTVEB), develop relevant training curricula and certification systems, and promote sharing of industry equipment and skilled personnel with schools.

16. **Component 2: Enhancing Quality Assurance for Junior and Senior Secondary Schools (Estimated base cost: US$13.7 million).** The objective of this component is to establish a standardized system for measuring student’s learning achievements in core subject
areas and support teachers to develop the skills needed to better teach these areas. This component would support the improvement of the quality assurance systems in Lagos State to measure progress, identify deficits, provide feedback to service providers, and establish appropriate benchmarks/standards. This critical data will provide continuous assessment and impact evaluation of project and government interventions. Furthermore, it will measure the learning outcomes in schools to give the government a comprehensive picture of progress in the secondary education sector, at the same time providing a transparent yardstick to hold schools, teachers, and district officials accountable for delivering a quality education.

17. **Sub-component 2.1: Standardized Testing for Secondary Schools (Estimated base cost of US$2.9 million):** The objective of this sub-component is to establish a standardized system for measuring learning achievements, and to support the development of the performance grants scheme of the project. By forming a complete series of examinations that is consistent and comparable, improvements in student learning outcomes can be better understood and managed. Reliable information about student’s learning will help teachers, parents and principals to set achievable benchmarks for improving instruction and learning. Specifically, this subcomponent will support: (i) the establishment of an education baseline and revalidation of standardized tests; (ii) the standardization of unified examinations for secondary students, particularly for the core subject areas for junior secondary grades one and two and senior secondary grades one and two; and (iii) institutional strengthening of the Lagos State Examinations Board. Technical assistance will be provided for test development and evaluation design, data handling and analysis, field testing assessment instruments, training and orientation for test administrators and training for examinations bodies. The necessary equipment (e.g., optical marker recorder paper, machines and scanners) also will be financed under the project.

18. **Sub-component 2.2: Strengthening Teachers’ Professional Development (Estimated base cost of US$10.8 million):** The objective of this sub-component is to establish a mechanism for identifying training and capacity development needs of secondary schools, develop the interventions to address those needs, and link secondary schools with institutions providing those interventions. To help schools address the demand for high quality teaching in the core education areas, the project will support the development of teachers’ professional knowledge and skills by increasing the capacity of service providers to offer high quality courses in core competencies in English, Math and Science teaching. Activities that will be supported include: (i) assessing capacity development needs analysis of teachers and school leaders; (ii) capacity building for the Teachers Establishment and Pensions Office (TEPO); (iii) training courses (competitively contracted) developed and delivered at teacher development institutions in core subject areas and school management; (iv) support for teacher subject conversion in math, science and English; (v) strengthening subject associations and their outreach efforts into the schools; and (vi) the establishment and publication of a training information website and teacher training information bulletin. Current pedagogic methods (e.g., active learning) will be offered to help teachers improve the learning outcomes of their students. Approximately 5,385 JSS and SS math, English and science teachers and 1,700 principals and vice-principals will receive support under this subcomponent. The teacher formation institutions and at in-service training agencies will offer training courses year round and during summer break. Teachers may participate in more specialized or customized training, to be funded under the school development grants.
19. **Component 3: Project Coordination and Management (Estimated base cost: US$4.6 million).** Effective implementation of the project will depend upon efficient coordination mechanisms, proper financial management and procurement practices, timely implementation, and effective monitoring and evaluation of project outcomes. This component will provide the necessary resources for effective coordination and monitoring and evaluation, and the implementation of an information and communications strategy. The project will be implemented in public secondary schools throughout Lagos State. To support the schools, management and oversight would be organized at the State level (SMOE in close coordination with the relevant parastatals) and District level (TG/PS, ZOPAs and LGEAs). The technical support for implementation includes a team of short and long-term consultants, specializing in project implementation (including project management, financial management, procurement and M&E), resident in the MOE, and providing regular support to Districts. The capacity building support for implementation would begin during the project preparation stage and necessary training would be provided to project implementers. For the Monitoring and Evaluation, the SMOE will continue to update data to facilitate accurate reporting on the key progress indicators identified in the Results Framework as described in Annex 3. Most of the data for monitoring project outcomes will come from the Education Management Information System (EMIS), collection of school data by ZOPAs, regular project reports, and the Exams Board, supplemented by project studies and a baseline survey undertaken prior to effectiveness.

20. **Component 4: Strengthening the Federal Post-Basic Education Strategy (Estimated base cost: US$5 million):** The objective of this component is to provide capacity building and technical assistance to the Federal Ministry of Education to enhance the development of the national post-basic education strategy and support policy dialogue on the strategy with States. Activities are expected to include technical assistance and studies to support key policy reforms (e.g., examination system, technical and vocational education), national dialogue on post-basic education and development of the National Secondary Education sector Strategy, training and capacity building, international study tours/visits and exchange programs. Support will also be provided to help at least three States prepare their secondary education strategies. Pilots may be proposed to encourage innovative linkages for supporting state specific post-basic strategies. This component also would provide support for the federal coordination of State level education projects, including funds for the National Education Sector Steering Committee (NESSC).

**Financing**

<table>
<thead>
<tr>
<th>Source:</th>
<th>($US m.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BORROWER/RECIPIENT</td>
<td>0</td>
</tr>
<tr>
<td>International Development Association (IDA)</td>
<td>95</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>95</strong></td>
</tr>
</tbody>
</table>

**Implementation**

21. The CPS delineates the partnership collaboration between the Bank, DFID, USAID and AfDB. The main external partner in the education sector in Lagos is DFID, which is providing technical assistance, which although delivered separately, complements the implementation of SESP in Kaduna, Kano and Kwara. Similarly, DFID will complement IDA support for the Lagos Eko project under their new ESSPIN which will provide a comprehensive range of technical assistance to several States to support systemic reform in the delivery of basic
education (beginning March 2009). ESSPIN is expected to provide flexible technical assistance to respond to state government priorities. Support under ESSPIN will aim to strengthen government systems for the planning, delivery, monitoring and resourcing of education in Lagos. Activities would cut across all levels of the education system, with a focus on basic education. A number of areas have been identified as potentially suitable for ESSPIN support. These include: reform of inspectorate services, communications, public financial management, EMIS, and private sector policy and regulation.

22. Given the commitment to harmonization and coordination of support in Nigeria, DFID and the Bank will work closely together to ensure that IDA activities and ESSPIN work in a complementary and collaborative way to support implementation of Lagos State’s education strategy. The State Project Advisory Committee (SPAC) established to oversee the project will also be used more broadly as the oversight committee for Lagos ESSPIN activities. This will encourage greater synergies and coordination of activities between the programs.

23. The majority of project activities will be implemented at the State level. The State Ministry of Education will be the responsible agency for the execution of the project in close coordination with the Districts, LGEAs, parastatals (e.g., SUBEB) and federal agencies. The Federal Ministry of Finance (FMoF) will be the representative of the Recipient as it relates to the financial and legal obligations of the Government. Lagos State will sign a subsidiary financial agreement with the FMoF. The FMoE and FMoF will have oversight of the project and the FMoE will play a coordinating and monitoring role in the implementation of the project. The FMoE will also be responsible for implementation of the activities under the federal component.

24. A National Education Sector Steering Committee (NESSC), formerly the Federal Consultative Steering Committee (FCSC) under SESP, will be established to provide an annual forum where project performance and implementation issues can be discussed and knowledge shared at the State and Federal levels. The Committee would be managed and chaired by the FMoE or his/her representative and includes key stakeholders responsible for project monitoring and implementation. This is the main policy body for all state based education projects at the federal level. The NESSC will provide oversight of all donor education programs (e.g., Lagos Eko, SESP and ESSPIN) to harmonize donor activities, improve coordination, monitor performance targets, enhance implementation, address cross-cutting issues, and ensure that States learn from each other and comply with ongoing federal reforms.

25. A State Project Advisory Committee (SPAC) will be established to govern the project and would be chaired by the Hon. Commissioner of Education. This committee will review progress reports, approve/endorse annual work programs and budgets, advise on key implementation issues, and ensure that agreed activities are met. The SPAC will oversee implementation more broadly of the education sector plan, MTESS and other donor activities (e.g., ESSPIN). The SPAC membership will include key stakeholders responsible for the implementation of project components and will comprise key departments in the SMoE, as well as external agencies/parastatals involved in implementation of the Lagos Eko project and other education projects.

26. The SPAC will be assisted by a Project Support Unit (PSU) which has been established to support the coordination, procurement management and monitoring and evaluation of project
activities. The PSU is located in the office of the Commissioner of Education. PSU staff will be selected based on agreed TOR; will receive sufficient training in Bank-financed project implementation prior to effectiveness; and will receive support from consultants as needed.

27. At the District level, the Tutor General/Permanent Secretary in each of the six districts, will have implementation oversight and will coordinate project activities in each district, with close coordination from SUBEB and SMoE. The Project Implementation Manual (PIM) will provide greater detail on the roles and responsibilities of key officers who will be responsible for coordination and monitoring. The school grants will be the responsibility of the Tutor-General/Permanent Secretary of the district. They would chair a District Project Advisory Committee (DPAC) to provide policy oversight, evaluate and approve the school grant proposals, and oversee project implementation. DPAC would also establish ad hoc committees such as the Technical Review Committee (TRC) on an as needed basis. Zonal Project Administrators (ZOPAs) have been assigned in each district to help schools collect and maintain key data, strengthen their school improvement plans, prepare monitoring reports for the districts and provide overall implementation support as needed. They will play a key role in facilitating school grant implementation and management. The transfer of grant funds directly to the school account would be contracted through a commercial Bank. School based Project Implementation Committees (PICs) will be responsible for monitoring how the grants are executed with support from the SBMCs, individual school PTAs, and ZOPAs. The head teacher/principal would be the primary signatory of the school bank account. All schools receiving support under the project will be trained and well-versed in the School Development Grants Manual.

28. The public-private partnership grants for technical and vocational colleges will be governed by the newly established Lagos State Tech and Vocational Education Board (LASTVEB). Implementation oversight for the standardized testing and school ranking will be carried out by the Lagos State Examinations Board. Teacher development activities will be managed by the Project Support Unit with support from international and national consultants.

29. The Federal component of the project would be managed by the STEP-B Project Management Unit (PMU) within the FMOE. A technical officer would be added to the PMU to coordinate the activities under this project. The Department of Basic and Secondary would be the coordinating department within the FMOE.

30. The Project Financial Management Unit (PFMU) and the Accounts Unit of the Federal Project Management Unit of the STEP-B project (AU/PMU) will be responsible for managing the financial affairs of the project at the State and Federal levels respectively. An experienced and qualified internal auditor will be engaged from the OAG for the AU/PMU. The PFMU and AU/PMU will be responsible for ensuring compliance with the financial management procedures manual, including submission of un-audited consolidated Interim Financial Reports on a semester basis and audited annual consolidated financial statements to IDA. Regarding the flow of funds and banking arrangements, IDA will disburse the Credit through segregated Designated

---

6 There are 6 Districts in Lagos State with each District overseeing 3 Local Government Areas (LGAs). Two districts oversee 4 LGAs bringing the total number of LGAs in Lagos to 20.
Accounts (DA), managed by the PFMU and AU/PMU respectively. PFMU and AU/PMU will maintain adequate FM arrangements to support the deployment of project resources in an economic, efficient, and effective manner to achieve the stated development objectives.

Sustainability

31. Both the Federal and Lagos State governments are committed to education reforms, including the achievement of the MDGs and universal basic education, and have finalized long-term education sector plans which will be the basis for future interventions in the education sector. Lagos has requested the Bank’s support for implementing several priority areas of their ESP. There is strong demand for quality education in Nigeria, evidenced by the high gross enrollment rates in Lagos State, for example. The willingness of low income parents to send their children to private school is equally telling. Ownership of the program at the district and school level, particularly for the SDG, is crucial to the long-term sustainability of the project.

32. The activities initiated by the project are likely to generate additional post-project costs, including continuation of grants, maintenance and operation costs for EMIS and the costs of designing, validating and delivering the standardized achievement tests. Post-project sustainability will depend on sufficient allocations from the State budget for operational costs, retention of qualified staff and school-level allocations for performance based grants. On the assumption that 75 percent of the total project costs would continue beyond the fourth year of project execution, it is estimated that the recurrent costs would amount to ₦2.3 billion (US$16 million), or about 6 percent of the Lagos education budget, and roughly less than 1 percent of the projected total state expenditures for 2014 and beyond. This indicates that the incremental recurrent costs and the counterpart funding would not impose a significant fiscal burden to Lagos State. More reassuring is the recent dramatic rise in State Government revenues resulting from its expenditure policies and better revenue mobilization mechanisms, which means that the share of incremental costs to the total state budget is going to remain small and within its fiscal capacity. Most importantly, this project presents a paradigm shift in budgeting. If this system works and the project achieves results, then the government is likely to continue to allocate education resources in this decentralized manner. The decentralization of resources will likely reduce the unit costs for inputs as well as transaction costs. The emphasis on efficiently using existing resources, such as retraining and conversion of existing teachers, teacher mentoring, etc., further ensures that the system remains viable.

33. The project will strengthen the capacity of the SMoE, districts and schools to plan, manage and monitor service delivery. And schools will have greater autonomy and capacity to meet the demands and expectations of their students. The project will also provide schools with greater financial flexibility to continue those activities which increase learning outcomes.

Lessons Learned from Past Operations in the Country/Sector

34. Bank-financed education projects have a mixed track record in Nigeria. The Second Primary Education Project (PEP2) closed in December 2004. It was implemented at the federal level and provided funds for both federal and state level activities to increase access and quality. Although the centralized implementation was problematic, ultimately a demand driven, community focused infrastructure program was established and continues today. The UBE
Project (closed in June 2006) supported the capacity of 16 Participating States and the Federal government to manage and implement the program to achieve universal basic education. Unlike PEP2, it was implemented at the State level by providing an initial allocation of US$5 million to each state. The unsatisfactory performance of this project were related to (a) faulty project design (e.g., allocation of a fixed amount of project funds for each of the 16 participating states without having a clear project implementation plan); (b) weak implementation capacity at all levels; and (c) ineffective performance of technical assistance provided by the DFID-financed technical assistance project --Capacity Development for Universal Basic Education (CUBE)-- which was not adequately aligned, from the design stage, to the implementation of the UBE Project.³

The current State Education Sector Project in Kaduna, Kano and Kwara has only been under implementation for about one year, but already some lessons are being applied, such as the focus on school grants. The proposed Lagos Eko project will build upon the lessons learned under the previous Bank projects by:

a. Designing a project based on priorities of state’s education sector plan to avoid ad hoc implementation and have maximum impact on the achievement of state’s education goals. In addition, similar to SESP, the project will be focused on a limited number of complementary interventions that can be measured and evaluated;

b. Being ready to be implemented by having: (i) a well-prepared project implementation plan with the relevant procurement documents; (ii) a team of qualified project staff with experience and knowledge in Bank-financed project implementation, with limited turnover; (iii) a role and funding for the Federal Ministry of Education; and (iv) complementary technical assistance;

c. Strong State political ownership and commitment to the objectives of the project;

d. Sufficient credit amount to have a catalytic impact on the implementation of the ESP;

e. Enhanced communication and engagement with Federal ministries to ensure that legal issues such as Subsidiary Financing Agreements, etc. are handled without delay; and

f. Establishing a rigorous monitoring and evaluation system to track results and make changes as and when needed.

Safeguard Policies (including public consultation)

<table>
<thead>
<tr>
<th>Safeguard Policies Triggered by the Project</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Assessment (OP/BP 4.01)</td>
<td>[X]</td>
<td></td>
</tr>
<tr>
<td>Natural Habitats (OP/BP 4.04)</td>
<td></td>
<td>[X]</td>
</tr>
<tr>
<td>Pest Management (OP 4.09)</td>
<td></td>
<td>[X]</td>
</tr>
</tbody>
</table>

³ The Project was rated unsatisfactory for most of the implementation period. At the request of the Government, a portion of the undisbursed credit amount (SDR 27 million) was cancelled in March 2006, and the project was closed on June 30, 2006 because it would not be able to meet its development objectives.

⁸ The State Education Sector Project (SESP) and the Science and Technology Education in Post-Basic Education (STEBP) Project were approved by the Bank Board in FY07 and became effective in FY08.
35. The project has been classified as category B since it is not expected to generate any major adverse environmental and/or social impacts. The main activities that triggered the Environmental Assessment Policy (OP/PB/4.01) are related to component one which provides discretionary resources to schools to improve the quality of student learning (School Development Grants). These improvements may entail rehabilitation and some limited refurbishment of existing public secondary schools which may contribute to soil erosion, pollution or loss of vegetation. There is also the additional need for proper handling of the debris to be generated by such renovation and rehabilitation activities as well as the sundry limited civil works that may be needed. To address potential negative impact consistent with the requirements of the triggered safeguard policy, the Government has prepared an Environmental and Social Management Framework (ESMF). The framework is consistent with national laws as well as the Bank’s safeguard policy on Environmental Assessment. The ESMF has been approved and disclosed in-country and at the World Bank Info-Shop on December 15, 2008, prior to appraisal.

36. Lagos has considerable experience in World Bank Safeguard Policies and the PSU shall designate a staff to be responsible for following up environmental and social safeguards issues. Project desk officers at Lagos State Environmental Protection Agency shall provide oversight functions. Furthermore, the World Bank General Environmental Management Conditions for Construction Contracts shall be inserted in bidding documents and contracts that involve rehabilitation of existing buildings and other minor civil works. Guidance also will be provided by the safeguard member of the project team during supervision missions.

37. During the development of the Environmental and Social Management Framework (ESMF) extensive consultations with stakeholders Federal Ministry of Environment, Housing and Urban Development, Lagos State Environmental protection Agency, Lagos State Ministries of Education, Environment was carried out. Furthermore, project stakeholders at local government areas and community level will be continuously consulted at various stages of the project cycle. In particular, public consultations were carried out throughout the project preparation phase to encourage participation and foster social inclusion.

List of Technical Documents


* By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas
46. Lagos State. 2007. SEEDS.
47. Lagos State Ministry of Education. (September 2008). Education Sector Plan and Education Operational Plan.
48. PHRD Studies

**Contact point:**

Contact: Marito H. Garcia  
Title: Lead HD Economist  
Tel: (202) 473-5385  
Email: Mgarcia1@worldbank.org

**For more information contact:**

The InfoShop  
The World Bank  
1818 H Street, NW  
Washington, D.C. 20433  
Telephone: (202) 458-4500  
Fax: (202) 522-1500  
Email: pic@worldbank.org  
Web: http://www.worldbank.org/infoshop