



# Education Sector Expenditure and Institutional Review

A State-level Report



2024



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# Foreword

Recognising education as a fundamental human right, a catalyst for socio-economic development, and a powerful tool for poverty reduction, this report offers a deep dive into public funding for education at the State level. The expectation is that the data generated will be used by policy makers to address current educational challenges, including the high incidence of Out-of-School Children (OOSC) in many parts of the country. Additional funding is crucial for school construction and the provision of basic amenities in schools, teacher recruitment and development, special needs education, educational technology, and monitoring, learning, evaluation, and research.

Education is a priority for all governments in Nigeria. Home to over 220 million people, the country has 70% of its population under 30, and 42% under the age of 15. 1 in 3 children in the country are out of school (OOS) - 10.2 million at the primary level and 8.1 million at the junior secondary school (JSS) level. Unexpectedly, poor educational outcomes in the country have been linked to the high incidence of poverty among citizens, where 63% of the population (72% in rural areas) and 94% of all out-of-school children are multidimensionally poor. Poor educational outcomes and the country's demographic trajectory necessitate significant investments in programmes that will address current challenges and position the country to meet citizens' future needs. Depending on the local context, the education response may require a multisectoral approach, covering broader issues of food expenditure and healthcare costs which contribute to the incentives and constraints for school enrolment or dropouts.

This study is a pivotal step to generate new evidence to inform better decision-making for governments and stakeholders in the sector. To ensure quality, equitable, and lifelong education for all, governments in Nigeria must seek to achieve greater resource allocation efficiency and policy-driven education programming.

We hope the report also supports the research and development communities in expanding their scope and use of evidence-based studies in the sector. NGF will collaborate closely with stakeholders to translate the report's insights into strategic interventions across States, in addition to ongoing efforts on high-level advocacy and technical assistance.

Dr. Abdulateef O.T Shittu  
Director General  
Nigeria Governors' Forum

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The report was prepared under the supervision of the project lead, David Nabena, who was the editor. It was delivered under the State Level Public Finance Support and Digital Transformation programme of the Nigeria Governors' Forum.

All State-level public finance data used in this report can be accessed via the website: <https://www.publicfinance.ngf.org.ng/>.

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All errors and omissions are the responsibility of the authors and do not reflect the views of the NGF.

# Contents

<b>Foreword</b>	i
<b>Acknowledgements</b>	ii
<b>List of Boxes, Tables and Figures</b>	v
<b>Acronyms</b>	iii
<b>Executive Summary</b>	x
1. Introduction	1
1.1 Background and Motivation	1
1.2 Our Methodological Approach	3
1.3 Report Structure	4
2. Expenditure Review	7
2.1 Total Sector Spending at the State level	7
2.2 Size of Education Spending by States	8
2.3 Sector Budget Performance	10
2.4 Sector Expenditure (share of total expenditure)	12
2.5 Medium-Term Sector Strategy Planning for the Sector	14
2.6 Structure of Education Spending	15
2.7 Capital versus Recurrent Expenditure	25
2.8 Funding Sources for the Sector	30
2.8.1 State Funding	30
2.8.2 Private Sector Investments	33
2.8.3 External Funding, including Donor Contributions and Grants	34
2.9 Distribution of Education Resources	37
3. Institutional Review	40
3.1 Institutional Framework	40
3.2 Other Institutional Coordination	42

3.3	Flow of Funds	47
3.3.1	Universal Basic Education Commission (UBEC)	47
3.3.2	Tertiary Education Trust Fund (TETFUND)	51
3.4	Safeguarding Resources	53
3.5	Outcome Analysis	56
4.	Key Recommendations	65
	References	67

# List of Boxes, Tables and Figures

## Boxes

Box 1: Tracking Public Spending with the NCOA .....	5
---	---

## Tables

Table 1: Functional classification of the education sector .....	16
Table 2: Functional Classification of the Education Budget of States, 2021 - 23 .....	17
Table 3: Administrative Segment Coding for the Education Sector .....	20
Table 4: States with more than one Education Ministry .....	21
Table 5: Programme segment coding for the education sector .....	23
Table 6: Education sector revenue and expenditure in the 2023 budgets of States .....	32
Table 7: Education sector aid, grants and loans in the 2023 budgets of States .....	34
Table 8: Education sector aid, grants and loans in the 2023 Budgets of States - Individual Items .....	35
Table 9: Education governance and administration responsibilities across levels in Nigeria .....	41
Table 10: Education Authorities in Nigeria .....	45

## Figures

Figure 1: Federal Government's Education Budget (Share of Total), 1960 - 2022 .....	2
Figure 2: Total Education Expenditure for the 36 States (NGN Billion), 2021 - 23 .....	8
Figure 3: Education Expenditure by States, Actual, 2021 - 22 .....	9
Figure 4: Education Sector Budget Performance, 2021 - 22 .....	11
Figure 5: Education Sector Expenditure (Share of Total Expenditure), 2021 - 22 .....	13
Figure 6: Status of Education MTSS in Nigerian States .....	14

Figure 7: Distribution of the Education Budget of States by Function Classification, 2021 - 23 .....	19
Figure 8: Capital: Recurrent Expenditure Ratio, % Average, 2021 - 22 .....	27
Figure 9: Education Sector Capital Expenditure for the 36 States (NGN), 2021 - 22 .....	28
Figure 10: Education Sector Recurrent Expenditure for the 36 States (NGN), 2021 - 22 .....	29
Figure 11: Distribution of educational spending by level of education, average, 2021-23 .....	37
Figure 12: Level of Education State governments prioritised in their budgets, 2021 - 2023 .....	38
Figure 13: Levels of Education in Nigeria .....	40
Figure 14: Oversight Institutions for Primary, Secondary and Tertiary Education in Nigeria .....	14
Figure 15: Fund Flow for Education Administration .....	47
Figure 16: How UBE funds are disbursed .....	48
Figure 17: UBE Matching Grant Allocation to States .....	49
Figure 18: Total UBE Grants accessed by States, 2005 - 2023 .....	50
Figure 19: Unaccessed UBE Grants by States and the FCT .....	51
Figure 20: Beneficiary Institutions of the TETFUND programme .....	52
Figure 21: Education Tax Contribution to the TETFUND, 2011-21 .....	52
Figure 22: Disbursements to public tertiary institutions, 2021 .....	53
Figure 23: State Budget Process .....	54
Figure 24: Number of Enrolees in Public and Private Schools .....	57
Figure 25: Number of Student Enrolees in Public Schools .....	58
Figure 26: Ratio of Enrolees in ECCDE, Primary and Junior Secondary Schools .....	59
Figure 27: Gross Enrolment Rate .....	60
Figure 28: State of Infrastructure in ECCDE Schools .....	61



Figure 29: State of Infrastructure at the JSS level .....	61
Figure 30: Public-Teacher Ratio .....	62
Figure 31: Enrollee Dropouts .....	63
Figure 32: Schools that suffered attacks .....	64

# Acronyms

AGILE	Adolescent Girls Initiative for Learning and Empowerment
BESDA	Better Education Service Delivery for All
BPS	Budget Policy Statement
COFOG	Classification of the Functions of Government
CRF	Consolidated Revenue Fund
CSO	Civil Society Organisation
ECCDE	Early Childhood Care and Development Education
EFA	Education for All
EFU	Economic and Fiscal Update
EIMS	Education Information Management System
EIR	Expenditure and Institutional Review
EQAS	Education Quality Assurance Service
ExCo	Executive Committee
FCT	Federal Capital Territory
FGD	Focus Group Discussion
FIS	Federal Inspectorate Services
FME	Federal Ministry of Education
FSP	Fiscal Strategy Paper
GDP	Gross Domestic Product
GER	Gross Enrolment Ratio
GPFS	General-Purpose Financial Statement
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
JSS	Junior Secondary School
LGA	Local Government Authorities
LGEA	Local Government Education Authority
M&E	Monitoring and Evaluation
MDA	Ministries, Departments, and Agencies
MLA	Medical Licensing Assessment
MPI	Multidimensional Poverty Index
MTSS	Medium-Term Sector Strategy

NBS	National Bureau of Statistics
NBTE	National Board for Technical Education
NCCE	National Commission for Colleges of Education
NCOA	National Chart of Accounts
NEC	National Economic Council
NGN	Nigerian Naira
NUC	National Universities Commission
OECD	Organisation for Economic Co-operation and Development
OOS	Out-of-School
OOSC	Out-of-School Children
PAD	Programme Approval Document
PFM	Public Financial Management
PTA	Parent-Teacher Association
R&D	Research and Development
SDG	Sustainable Development Goals
SHoA	State House of Assembly
SPEB	State Primary Education Board
SSS	Senior Secondary School
SUBEB	State Universal Basic Education Board
TESCOM	Teachers' Service Commission
TETFund	Tertiary Education Trust Fund
UBE	Universal Basic Education
UBEC	Universal Basic Education Commission
UIS	UNESCO Institute for Statistics
UN	United Nations
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund
UNPFA	United Nations Population Fund
USAID	United States Agency for International Development

## Executive Summary

Nigeria has been described as a pre-dividend country because of its high fertility, declining mortality and skewed young age structure (Hasan et al., 2019). Home to over 220 million people - the most populous country in Africa - Nigeria has about 70% of its population under 30, and 42% under the age of 15 (NBS, 2023, UNPFA, n.d.). 1 in 3 children in the country are also out of school (OOS) - 15% of the global total: 10.2 million at the primary level and 8.1 million at the junior secondary school (JSS) level. Of this number, 12.4 million children never attended school and 5.9 million left early (UNICEF, 2022). National completion rates at the primary and secondary school levels are 55% and 39% respectively (UNICEF, 2020). At the tertiary level, gross school enrolment is 12% (UIS, 2022). Adding another layer of complexity, demographic projections suggest Nigeria will be the world's third most populous country by 2050.

Poor educational outcomes and the demographic trajectory necessitate significant investments to address current challenges and position the country to meet citizens' future needs. Besides produced capital (such as infrastructure and factories) and natural capital (such as agricultural land and natural resources), human capital - the third component of a country's wealth - has been described as the future earnings of labour - a product of education attainment (World Bank, 2021). The World Bank estimates Nigeria's human capital accounts for 62% of its total wealth.

But more importantly, education is a fundamental human right, a critical driver of economic advancement and a powerful tool for poverty reduction. The Universal Basic Education (UBE) Act 2004 mandates that "every government in Nigeria shall provide free, compulsory and universal basic education for every child of primary and junior secondary school age." This provision obligates governments at both the federal and State levels to ensure that basic education is not only free but compulsory for children within the age range. A 2021 analysis of education spending in the West and Central Africa region by the United Nations International Children's Emergency Fund (UNICEF) highlighted that there is a disconnect between education financing and education outcomes, noting that poor education performance is both a result of low investment in the sector and inefficient use of existing resources (UNICEF, 2021).

This Expenditure and Institutional Review (EIR) is designed to support the government's education agenda, particularly at the State level. Education is a fundamental pillar of socio-economic development, and its effective governance and funding are crucial to safeguard the wellbeing and progress of the nation. The decentralised nature of education management in the country underscores the need for this review. This aligns with the broader goal of achieving quality education for all and fostering sustainable socio-economic development across the country's 36 States. The report provides a comprehensive assessment of the quality of education expenditures by State governments and the institutional system responsible for managing resources allocated to the sector.

## Key Findings

1. **Education Expenditure:** In 2022, State governments spent N1 trillion - 12% of their total expenditure on education. This figure grew by 2.8% from the previous year's record of N982.4 billion. In 2023, N1.6 trillion was provided in the budgets of States for the sector, although historically, only about 70% of budgeted funds are released. Average yearly education spending per State was N28 billion in 2022, slightly above the previous year's expenditure of N27.3 billion. Wide variations exist though. Lagos spent 94.3 billion, followed by Rivers (N64.7 billion), Kaduna and Delta (N55 billion), and Jigawa and Kano (N53 billion).
2. **Education Planning:** The report showed that about half of the States (17) have a medium-term sector strategy for the education sector covering at least the 2024 budget year. The Medium-Term Sector Strategy (MTSS) is a key policy document that provides the linkage between the policies of the government and its annual budget (and actual expenditure).
3. **Education Spending Prioritisation:** Tertiary education and education administration received the lion's share of the aggregate education budget between 2021 and 2023, accounting for 53.62% of the total allocation. Tertiary education was allocated 34.11% while education administration received 19.51%. The remaining 46.38% was distributed across pre-primary (24.05%), primary (20.11%), post-secondary (1.18%), and education research and development (0.89%) sub-functions.
4. **Capital vs Recurrent Spending:** During the 2021/2022 period, the average capital to recurrent ratio was 31%:69% indicating greater spending on personnel, operational and maintenance costs for government education activities. The prioritisation of recurrent spending was the case for 31 States with the exception of Katsina, Kebbi, Kaduna, Borno, and Delta where capital spending was over 50%. The prioritisation of recurrent spending in the sector reveals two trends - (i) a significant portion of education spending goes towards salaries and benefits for teachers, administrators, and other education staff, as well as essential operational costs like learning materials, school supplies and maintenance. (ii) amidst tight budget constraints, governments are prioritising recurrent spending to ensure schools are functioning, which is an immediate need, even if it means delaying capital projects.
5. **External Funding:** The most significant contributor to State government spending on education is domestic grants, largely from two programmes run by the federal government - the Universal Basic Education (UBE) and Tertiary Education Fund (TETFund). Aid, grants and loans in the 2023 Budgets of the 36 States accounted for 19.5% of the total expenditure in the sector.
6. **Shared Responsibility, Shared Challenges:** The financing and management of basic education is a multigovernmental role, shared across the three tiers of government. The federal government allocates resources through the UBEC, while States and local

governments manage and disburse funds within their jurisdictions. This financial interdependence expands the pool of resources available for primary education but obscures the reporting lines of education spending, as well as the accountability lines for education programme implementation and their outcomes.

7. **Two-Tiered System with Differentiation:** Nigeria's higher education system operates on a two-tiered model. The federal government manages federal universities, polytechnics, and colleges of education, ensuring a unified national framework for higher education policies and administration. Simultaneously, State governments have the autonomy to manage their institutions. This fosters regional diversity and responsiveness to local educational needs. However, unequal resource distribution between the federal government and States, coupled with inconsistencies among States themselves, poses a significant barrier to achieving equitable access to quality higher education. Addressing these disparities is crucial to ensure that this two-tiered system does not foster inequality in educational opportunities for citizens.
8. **Intergovernmental Funding:** Besides discretionary funds from government budgets and needs-based interventions from the federal, State and local governments, the two (2) primary intergovernmental transfer mechanisms for educational financing in the country are UBEC and TETFund which provide funding at the primary and tertiary levels respectively. The UBE matching grant programme has played a significant role in supporting basic education in Nigeria since the first disbursement in 2005. By 2023, a cumulative total of N605.9 billion had been disbursed to States and the Federal Capital Territory (FCT) with a significant backlog of N54.9 billion in unallocated funds left in the UBE programme. The data from the two major funding mechanisms suggest that TETFund, funded by a dedicated 2% education tax, raised a significantly higher amount (N2.15 trillion) from 2011-2021 compared to UBE grants (N660.82 billion) from 2005 and 2023, funded from the federal government's Consolidated Revenue Fund (CRF). This points to the potential effectiveness of ring-fencing education funding via a specific tax rather than as a share of government revenues.
9. **Enrolment:** The UBE data reports that there are 47 million students enrolled in Early Childhood Care Development and Education (ECCDE), primary, and junior secondary schools (JSS) across the country. Enrolment rates stand at 38%, 91%, and 49% respectively for these levels. The public sector dominates with 71% of enrollees, while private institutions account for 29%. Kano State recorded the highest enrolment (4.1 million), followed by Katsina, Kaduna, and Oyo. Conversely, Ekiti and Bayelsa have the lowest enrolments.
10. **Infrastructure and Quality:** Lagos, Ogun, Rivers, and FCT-Abuja lead in terms of school infrastructure, correlating with their higher spending on education. However, the pupil-teacher ratio, a key quality indicator of teacher recruitment and capacity development spending, is higher in FCT-Abuja, Ekiti, and Lagos. Ekiti also demonstrates lower dropout rates, indicating better student retention.

11. Access and Equity: Gross Enrolment Rate (GER) highlights regional disparities in access to education, with Akwa Ibom, Oyo, Kaduna, and Imo leading. Yet, the high enrolment of students in public vs private schools across most States reveals the important role public institutions play in shaping educational outcomes at the ECCDE, Primary and Junior Secondary Schools levels.

## Key Recommendations

Drawing on the research findings, the report suggests the following actions.

1. Efficiency in Resource Allocation: In the context of the absence of full budget implementation, one of the primary actions by fiscal authorities is to close the education budget-release gap which is cumulatively N500 billion for all 36 States. While the current 12% actual allocation to education is relatively high compared to other sectors (the share for health is 7% and 2% for agriculture), it remains insufficient to tackle complex challenges today that impact the education outcomes of States, including the high incidence of Out-of-School Children (OOSC), inter-State migration and the fast-growing population of persons within the school age. Additional funding is crucial for school construction, provision of basic amenities in schools, teacher recruitment and development, special needs education, educational technology and the development of an integrated data management system for the sector.
2. Achieving policy-based allocation. The lack of a clear spending-outcome linkage demonstrates the importance of an MTSS which helps facilitate policy-based allocation of resources. To ensure comprehensive coverage of all education sector expenditures, the budget ministries need to expand the scope of the General-Purpose Financial Statement (GPFS) to include a comprehensive programme, function, and location segment for all statutory financial reports. A comprehensive GPFS, combined with reporting of primary education spending in the financial reports of local governments will ensure greater transparency in education sector spending.
3. Equity and Equality in Education Opportunities for All: Achieving a common standard of education across Nigeria is still a concern. The federal government, through the Federal Inspectorate Services (FIS), plays a vital role by setting standards and conducting inspections, while the UBE and TETFund intervention programmes were introduced to close the funding gap at the primary and tertiary levels. However, this has not been sufficient to close disparities in educational outcomes across the country. Wicked challenges such as insecurity (including school attacks), high inter-State migration, and the apathy of teachers to teach in rural and underserved areas call for the expansion of education programmes to provide greater incentives for teachers and students in these areas.
4. Data-Driven Decision Making: Achieving these objectives requires enhanced and integrated data collection systems for all school facilities to identify disparities and real-time data collection, reporting and use. Establishing robust monitoring and evaluation systems to track the impact of education spending will also help hold

institutions accountable for education outcomes.

5. **Local Education Governance:** Local governments are at the frontlines of primary education, and they can directly influence community-level participation in education which is important for family school participation and support. Enhancing their capacity to manage education resources effectively by equipping them with public financial management skills will ensure equitable use of funds within their jurisdictions. This also requires federal-State-local government peer learning and exchange of information.
6. **Strengthening Monitoring and Evaluation Systems:** The report proposes a two-pronged approach to strengthen M&E in the sector. Firstly, strengthen M&E operations including standardised M&E frameworks across all education institutions with clear objectives, indicators, data collection methods, and reporting processes for each school. Secondly, build capacity to prioritise activities based on impact and outcomes, such as capacity-building programmes for education professionals and decision-makers on M&E principles, data analysis, and cost-effectiveness assessments for outcome-based planning and data-driven decision-making.





# 1. Introduction

## 1.1 Background and Motivation

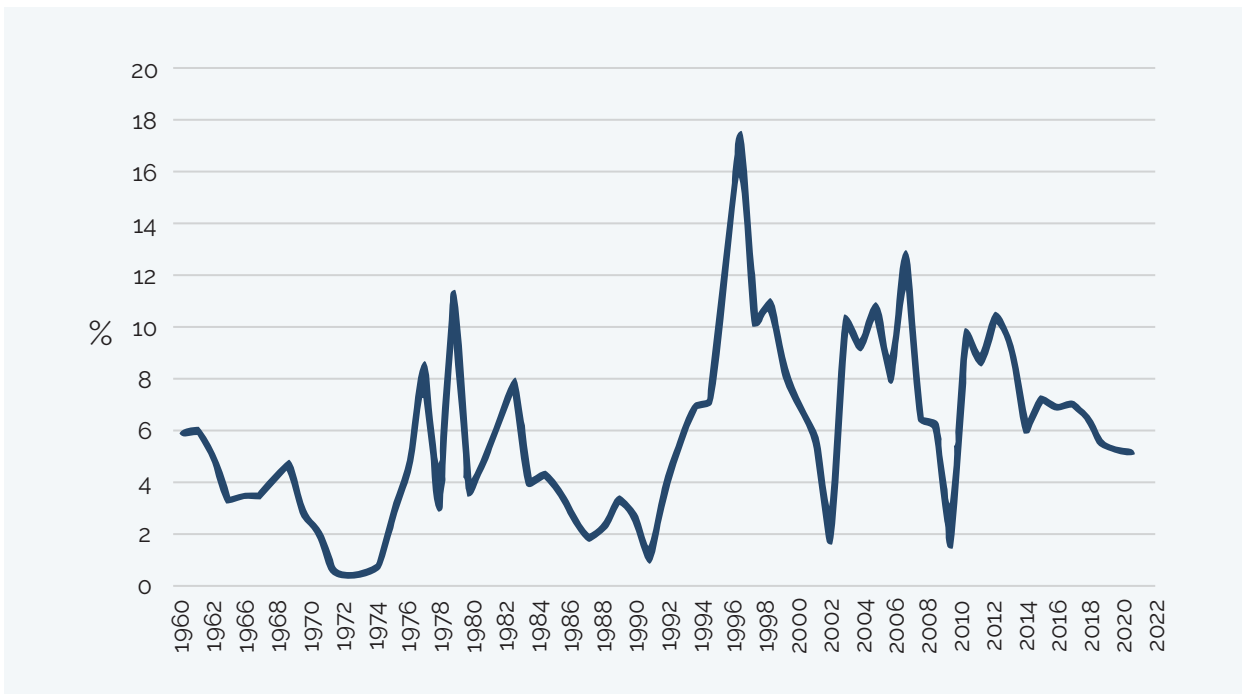
Nigeria has been described as a pre-dividend country due to its high fertility, declining mortality and skewed young age structure (Hasan et al., 2019). Home to over 220 million people - the most populous country in Africa - Nigeria has about 70% of its population under 30, and 42% under the age of 15 (NBS, 2023, UNPFA, n.d.). Coincidentally, 1 in 3 children in the country are also out of school (OOS) - 15% of the global total. 10.2 million at the primary level and 8.1 million at the junior secondary school (JSS) level. Of this number, 12.4 million children never attended school and 5.9 million left school early (UNICEF, 2022). National completion rates at the primary and secondary school levels are 55% and 39% respectively (UNICEF, 2020). At the tertiary level, gross school enrolment is 12% (UIS, 2022). Adding another layer of complexity, demographic projections suggest Nigeria will be the world's third most populous country by 2050.

Poor educational outcomes and the demographic trajectory necessitate significant investments to address current challenges and position the country to meet citizens' future needs. Besides produced capital (such as infrastructure and factories) and natural capital (such as agricultural land and natural resources), human capital - the third component of a country's wealth - has been described as the future earnings of labour - a product of education attainment (World Bank, 2021). The World Bank estimates Nigeria's human capital accounts for 62% of its total wealth.

But more importantly, education is a fundamental human right, a critical driver of economic advancement and a powerful tool for poverty reduction. The Universal Basic Education (UBE) Act 2004 mandates that "every government in Nigeria shall provide free, compulsory and universal basic education for every child of primary and junior secondary school age." This provision obligates governments at both the federal and State levels to ensure that basic education is not only free but compulsory for children within the age range. A 2021 analysis of education spending in the West and Central Africa region by the United Nations International Children's Emergency Fund (UNICEF) highlighted that there is a disconnect between education financing and education outcomes, noting that poor education performance is both a result of low investment in the sector and inefficient use of existing resources (UNICEF, 2021).

At the federal level, the share of the education budget (% of total) fluctuates significantly. It reached its highest point of 18% in 1997 and fell to under 6% in 2022 (see Figure 1). Volatile education spending is jeopardising the government's capacity to maintain education programmes that are key to closing the achievement gaps of its citizens. The United Nations Educational, Scientific and Cultural Organisation (UNESCO) recommends that countries allocate between 15-20% of their public expenditure towards education. This benchmark applies to total public spending on education, not just federal government spending but States'. The country is struggling to reach this target. A 2021 education sector analysis showed that the country spent about 1.4% of its GDP on the sector - covering Early Childhood Care Development and Education (ECCDE), primary, secondary, technical and vocational training, and tertiary education, as well as administrative and oversight functions at the federal, State and local government levels, below the 4 to 6% recommended spending on education for countries pursuing quality and equitable education opportunities and lifelong education for all (World Bank & IIEP-UNESCO Dakar, 2021).

Figure 1: Federal government's education budget (share of total), 1960 – 2022



Source: Federal Ministry of Budget and National Planning, 2023

The country's poor educational outcomes have been linked to the high incidence of multidimensional poverty. According to the Nigeria MPI 2022 survey which showed the interlinkages of deprivations experienced by poor people (including Quality Education SDG4), a significant disparity exists between educational attainment and

multidimensional poverty. Individuals who record negative outcomes in school attendance, years of schooling and school lag are much more likely to be multidimensionally poor than those with higher education levels. The Nigeria MPI 2018 reported that employment and education (years of schooling and child school attendance) had the highest weight on poverty. The results show that Nigerians were more deprived of employment, schooling, and child school attendance, contributing 24.89%, 21.98% and 13.19% to poverty, respectively. In the MPI 2022 survey, school lag was added to the survey questionnaire along with other national priorities like food security, water reliability, underemployment, security shocks and child deprivations (NBS, 2022). Where 63% of the population (72% in rural areas) and 94% of all out-of-school children are multidimensionally poor, education is a national priority. Not surprisingly, Nigeria's growth and wealth distribution showed a high level of inequity, with a Gini index of 35.1. Several studies demonstrate why this is the case, including Ajakaiye et al., (2014) and Ajakaiye et al., (2016).

This Expenditure and Institutional Review (EIR) is designed to support the government's education agenda, particularly at the State level. Education is a fundamental pillar of socio-economic development, and its effective governance and funding are crucial for ensuring the wellbeing and progress of the nation. The decentralised nature of education management in the country underscores the need for this review. This aligns with the broader goal of achieving quality education for all and fostering sustainable socio-economic development across Nigerian States. The report will provide a comprehensive assessment of the education expenditures of State governments and the institutional system responsible for managing resources allocated to the sector.

## 1.2 Our Methodological Approach

This report investigates the allocative efficiency of education spending at the State level. It will generate new evidence on how resources are mobilised, allocated and managed in the sector to provide valuable insights for improved planning, policy adjustments, institutional strengthening, more effective and efficient spending and increased strategic investments from both government and non-government sources. The EIR methodology employs a mixed research approach, combining both quantitative and qualitative data collection methods.

- **Expenditure Review:** Actual spending by education ministries, departments and agencies for 2021 and 2022 and budget data for 2023 were analysed to provide a broad overview of the education spending patterns of all 36 States in the country.
- **Rapid Qualitative Review:** Data collection leveraged both secondary and primary sources. A rapid review was carried out using questionnaires disseminated to all 36

States between October 2023 and January 2024 to gather cross-sectional data aligned with the review objectives.

- Stakeholder Engagement: The EIR adopted a participatory approach, incorporating focus group discussions (FGDs) and key informant interviews. The information gathered through these discussions was analysed using descriptive statistics and narrative analysis methods.

The EIR seeks to answer three (3) key questions:

- Budgeting Processes: How effectively are resources allocated to improve education outcomes across Nigerian States?
- Institutional Structures: Are the existing institutional arrangements for coordinating education policies and programmes adequate?
- Coordination Mechanisms: How efficiently are education development activities coordinated among the different levels of government (federal, State, and local)?

### 1.3 Report Structure

This report is structured into four (4) parts. **Part 1** covers the introductory sections, with the background and motivations stated and the methodological approach described.

**Part 2** covers a detailed analysis of the education spending patterns of State governments, looking at nine (9) key metrics. We look at the quality of education expenditure by the 36 States from 2021, when the National Chart of Accounts (NCOA)<sup>1</sup> was adopted by all State governments in the federation, to 2023. Before 2021, budgets were not prepared using a common standard, which meant that there was a great deal of difficulty for budget, finance and account officers to classify and record government financial transactions, and there was limited room to carry out a comprehensive expenditure review covering all States of the federation.

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<sup>1</sup>The NCOA is a complete list of budget and accounting codes uniquely grouped into tables for budgeting, tracking, managing, and reporting budgetary and accounting items in an orderly, efficient, and transparent manner.

### Box 1: Tracking Public Spending with the NCOA

- Administrative Segment - who is spending the money?
- Economic Segment - what is the nature of the expenditure (i.e., what is the money spent on)?
- Functional Segment - what is the purpose of the expenditure?
- Programme Segment - how does the expenditure help achieve policy priorities?
- Fund Segment - source of (where is the money coming from)?
- Location Segment - where is the benefit of the expenditure located?

This report uses actual expenditure data for 2021 and 2022, while budget figures (original budget) are used for the year, 2023. The section reports nine (9) key indicators:

- **Total education expenditure (actual):** This provides a consolidated overview of the total spending on education by all State governments.
- **Education expenditure by States:** This presents a State-by-State comparison of education expenditure, revealing variations in education prioritisation.
- **Sector budget performance:** We evaluate how well States are adhering to their education budgets.
- **Education expenditure (share of total expenditure):** This reveals the relative importance placed on education compared to other sectors.
- **Medium-Term Sector Strategy Planning:** We explore how States are planning for their education expenditures and if it is designed as part of a State-wide development plan.
- **Structure of education expenditure:** We review the distribution of education expenditure across education services.
- **Capital versus recurrent expenditure:** This section breaks down education sector expenditure into two - recurrent expenditures for the cost of education sector administration, and capital expenditures on schools, school equipment and technologies.
- **Funding sources for the sector:** We explore the funding mix of education spending, examining the contributions from federal transfers, State allocations, and other sources like user fees or industry levies.
- **Distribution of education resources:** We analyse how education expenditures are distributed across States, showing per capita and regional disparities.

**Part 3** of the report reviews the education institutional system, which is the engine for the success of the sector. The following areas are covered:

- Institutional Framework: We provide a general overview of the key education institutions and agencies at the national and State levels.
- Institutional Coordination: We assess the level of interaction between levels of education institutions, partners, and civil society organisations.
- Flow of Funds: The section examines the two main external sources of financing in the sector - UBEC and TETFund and provides insights on how they are distributed across States.
- Safeguarding Resources: We analyse the mechanisms in place to ensure transparency, oversight, and accountability in the allocation and utilisation of education resources.
- Outcome Analysis: This section seeks to establish a correlation, if data permits, between expenditure patterns and education outcomes.

Having reviewed the fiscal and institutional systems, **Part 4** presents actionable strategies to optimise resource allocation and management in the sector.

## 2. Expenditure Review

### 2.1 Total Sector Spending at the State level

Education expenditure includes direct State government spending on educational institutions as well as education-related public subsidies given to households and administered by educational institutions. The data for the review are sourced from State government budgets and the actual expenditures of the Ministry of Education, its departments, agencies, parastatals, and institutions for the periods 2021, 2022, and 2023.

Given the current nature of budgets in the country, there are some expenditures on education that are administered by other MDAs. For example, the Government House in many States implements education programmes; capital expenditures such as for the building and/or renovation of classroom blocks are administered by the Ministry of Works or the Public Works Department. Therefore, some direct education spending data may not be captured using the budget and actual expenditures of the Ministry of Education, its departments, agencies, parastatals, and institutions. Where States have multiple ministries that administer education services, such as in Delta State where there's a Ministry of Secondary Education, Primary Education, Higher Education, and Technical Education - these are captured as the Ministry of Education in the report.

The use of functional segment reports would have provided a broader and more holistic view of the total education sector expenditure but this is not currently available because of the poor quality of functional segment reports in States' annual budgets and the lack of statistical reports<sup>2</sup> in the General-Purpose Financial Statements (GPFS).<sup>3</sup>

For 2021 and 2022, the actual expenditure figures<sup>4</sup> are presented while the budgeted figures (original budget) are presented for 2023. Figure 2 shows the total expenditure by the 36 State Governments for the reference period. In 2022, State governments

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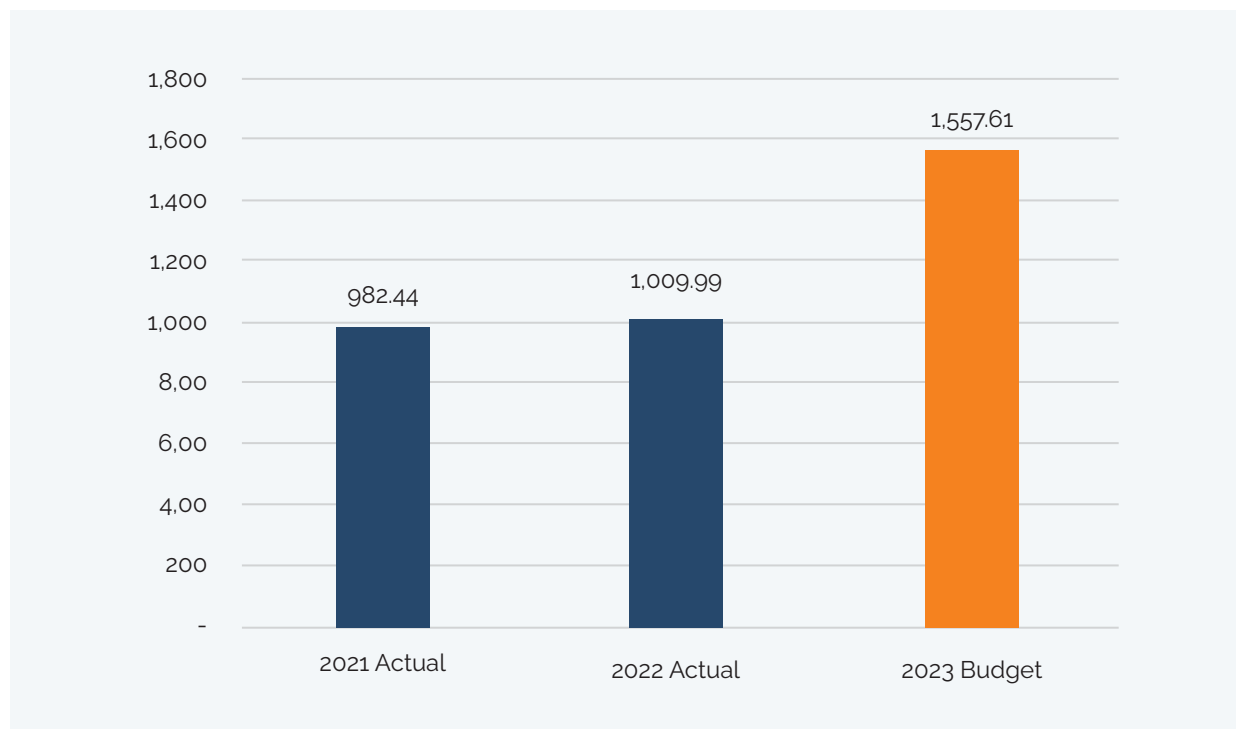
<sup>2</sup>The programme, function, and location segment reports of the statutory financial statements.

<sup>3</sup>The GPFS templates are used by the three tiers of governments in the preparation of their financial statements. In addition to the Statutory Financial Statements, the GPFS includes Budget Performance Reports and full-year statistical reports.

<sup>4</sup>2022 data for Delta State is as of September 2022 sourced from the 2023 Original Budget; 2021 actual data for Niger and Ogun sourced from the 2024 Original Budgets.

spent N1 trillion - 12% of their total expenditure on education. This figure grew by 2.8% from the previous year's record of N982.4 billion. In 2023, N1.6 trillion was provided in the budgets of States for the sector, although historically, only about 70% of budgeted funds are released.

Figure 2: Total education expenditure of the 36 States (NGN Billion), 2021 – 23



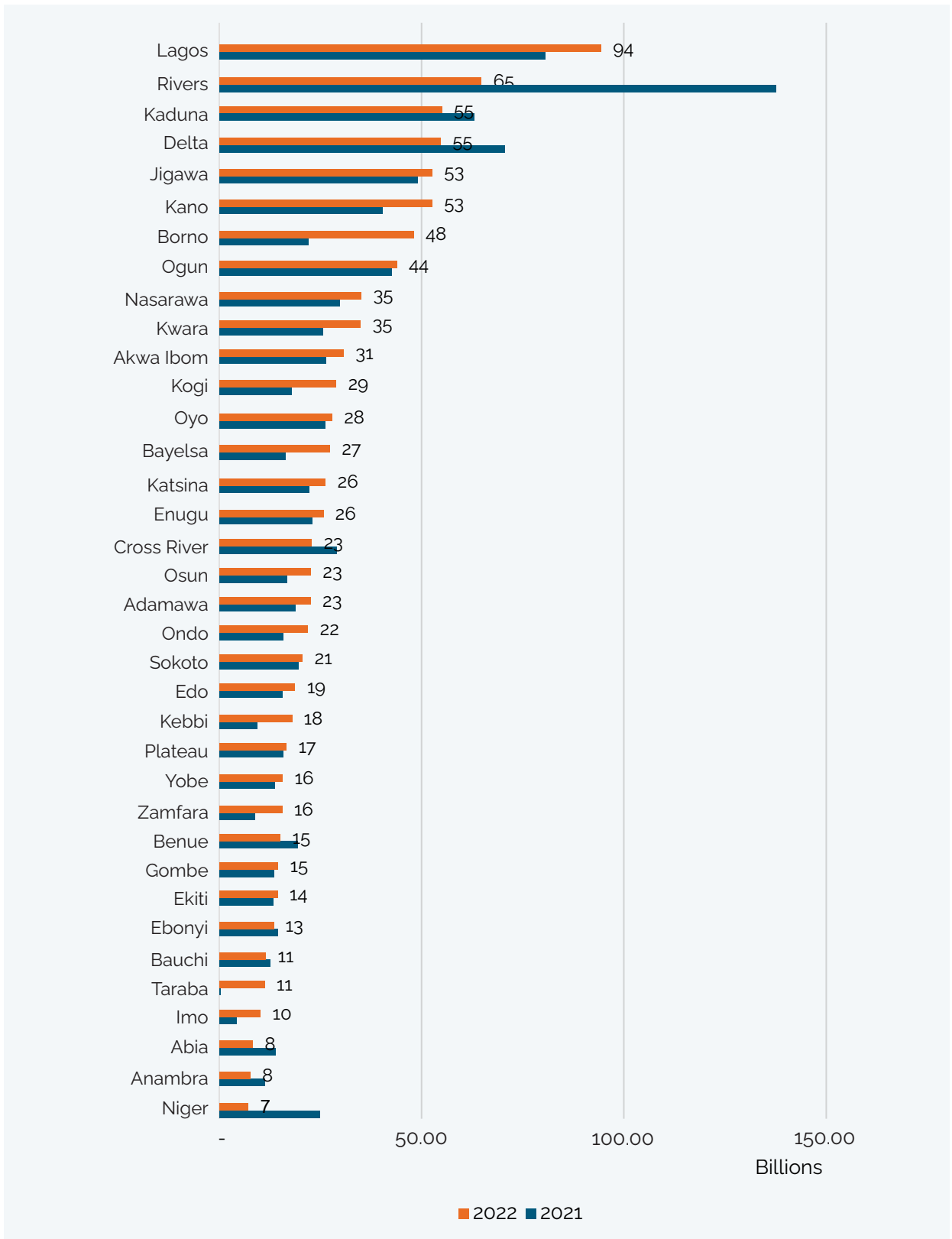
Source: 2021 and 2022 Audited Financial Statements of States, 2023 Budgets of States

## 2.2 Size of Education Spending by States

Average yearly education spending per State was N28 billion in 2022, slightly above the previous year's expenditure of N27.3 billion. Wide variations exist though. Lagos spent 94.3 billion, followed by Rivers (N64.7 billion), Kaduna and Delta (N55 billion), and Jigawa and Kano (N53 billion). In the previous year 2021, Rivers State recorded an education expenditure of N137.5 billion. Overall, 10 States recorded a decline in education spending between 2021 and 2022. Two key factors account for the significant variation in State-by-State spending - firstly the level of resources available - Lagos and the oil-producing States of Delta and Rivers, and Kano and Kaduna being the two largest economies in northern Nigeria all have a relatively higher fiscal headroom. The second factor relates to Jigawa, in that the salaries of all primary school teachers are paid through the State budget (this equates to circa N20 billion per annum), which is captured as a grant from the local government authorities (LGAs) to the State treasury, and then as an expenditure of the State in the sector.



Figure 3: Education expenditure by States, actual, 2021 – 22

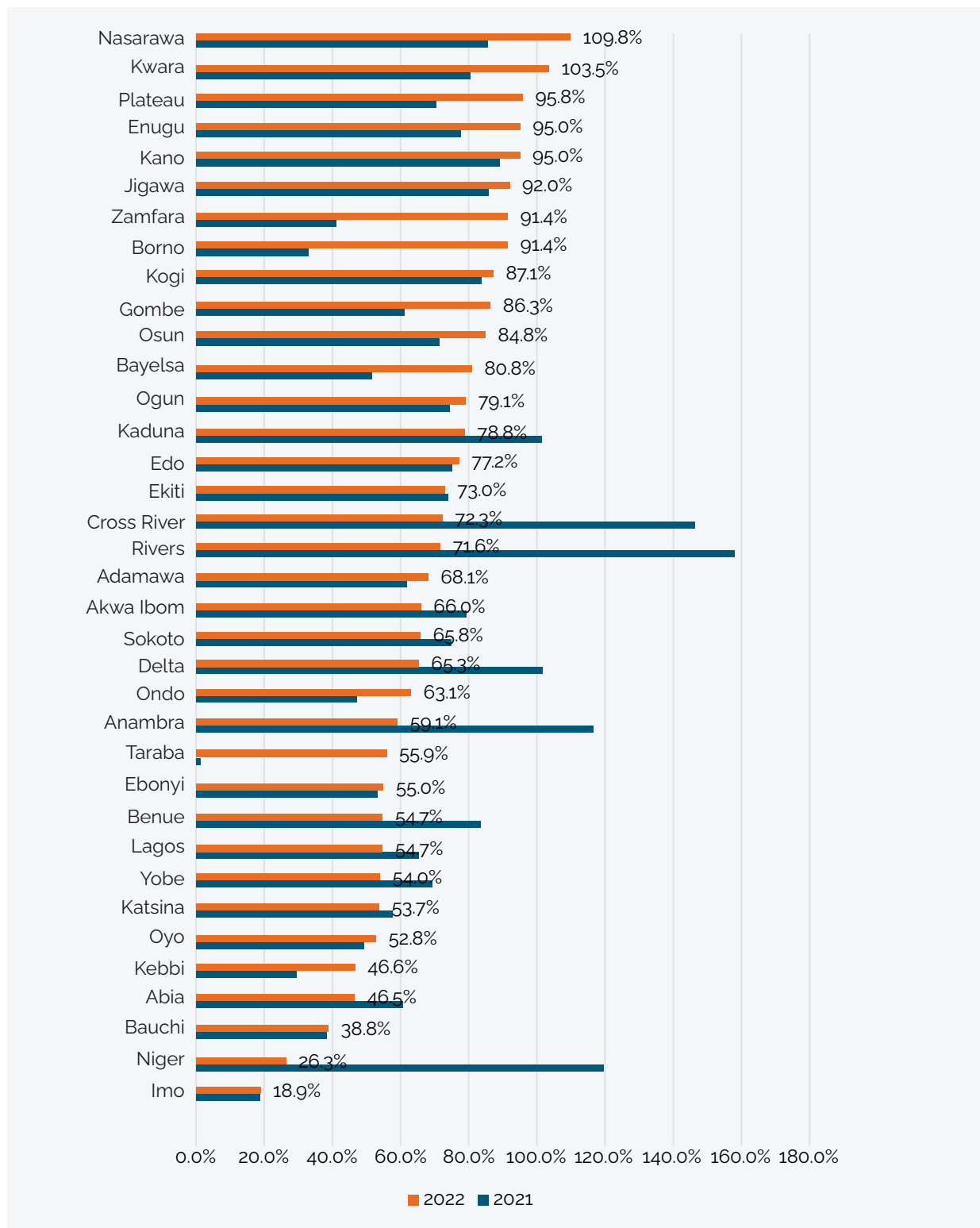


Source: 2021 and 2022 Audited Financial Statements of States

## 2.3 Sector Budget Performance

This measures the size of budgeted funds that are released. This indicator has direct implications on learning outcomes and teacher morale and could manifest in interruptions in the distribution of resources for schools including teaching materials, deteriorating infrastructure where maintenance and repairs are required as well as failing teacher training and professional development. Poor expenditure tracking can lead to inefficient allocation of the available resources, potentially contributing to the neglect of critical areas of need. Budget performance in the sector averaged 70% - a high execution rate compared to other economic (including agriculture) and social sectors (including health). 14 States recorded a year-on-year performance above 70% - including Nasarawa, Kwara, Plateau, Enugu, Kano, Jigawa, Kogi, Osun, Ogun, Kaduna, Edo, Ekiti, Cross River, and Rivers. 5 States recorded a budget performance rate below 50% in 2022.

Figure 4: Education sector budget performance, 2021 – 22

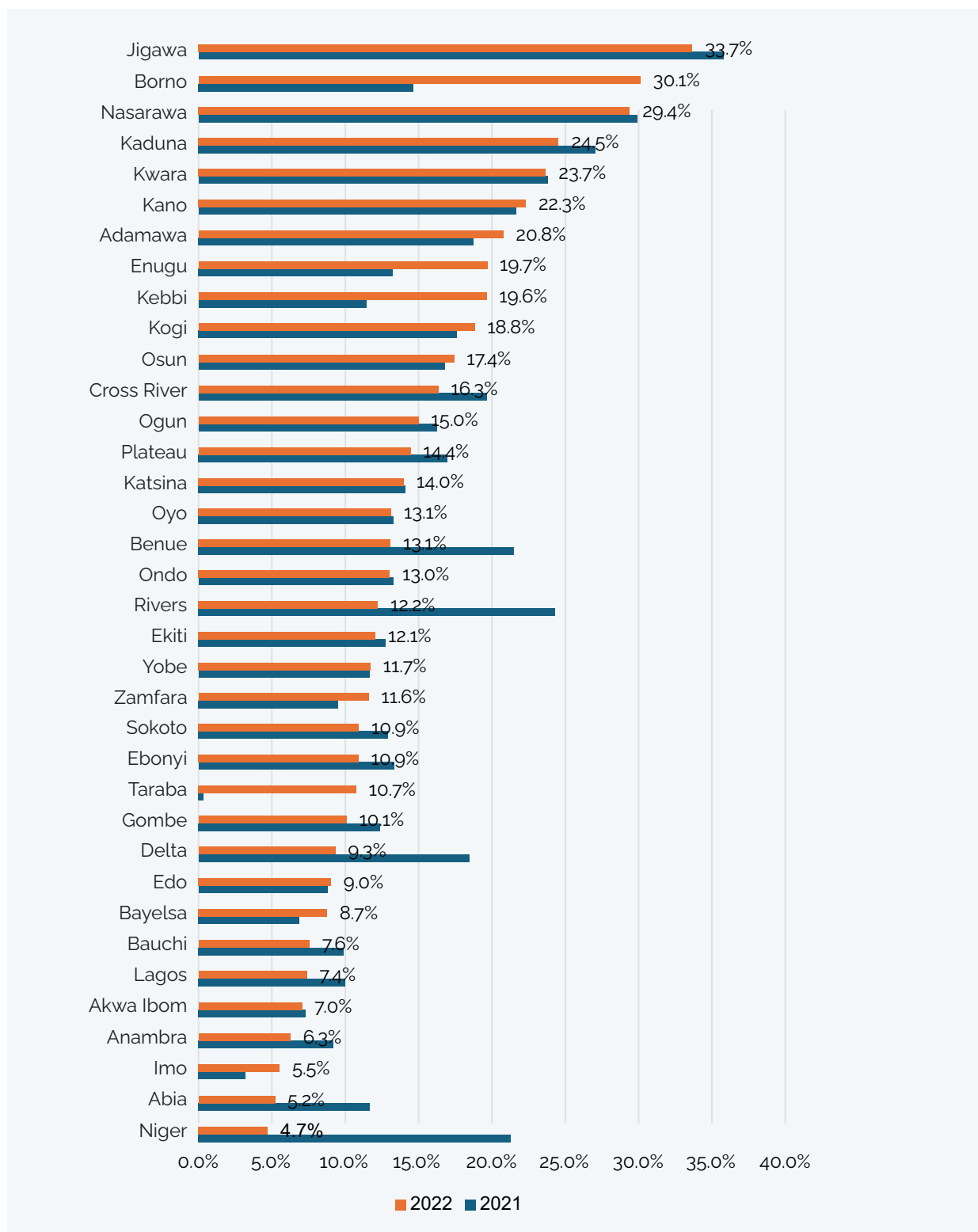


Source: Calculated based on data sourced from the 2021 and 2022 Audited Financial Statements of States

## 2.4 Sector Expenditure (share of total expenditure)

Education is a priority for many State governments. The average share of education spending (as a percentage of total expenditure) across the 36 States was 15% in 2021 and 2022. Jigawa, Borno, and Nasarawa are among the 13 States in Nigeria that have allocated at least 15% of their total expenditure to education. The 3 States have surpassed this benchmark, investing over 30% of their budgets in the sector. In 2015, UNESCO Member States reached a consensus on the level of educational funding of 4-6% of GDP or 15-20% of public expenditure (UNESCO, 2023) needed to achieve Sustainable Development Goal 4 (SDG 4) - ensuring inclusive and equitable quality education and promoting lifelong learning opportunities for all, but many governments have not yet recorded this target. The number of States that met the 15% threshold declined from 15 in 2021 to 13 in 2022.

Figure 5: Education sector expenditure (share of total expenditure), 2021 – 22



Source: Calculated from data sourced from the 2021 and 2022 Audited Financial Statements of States

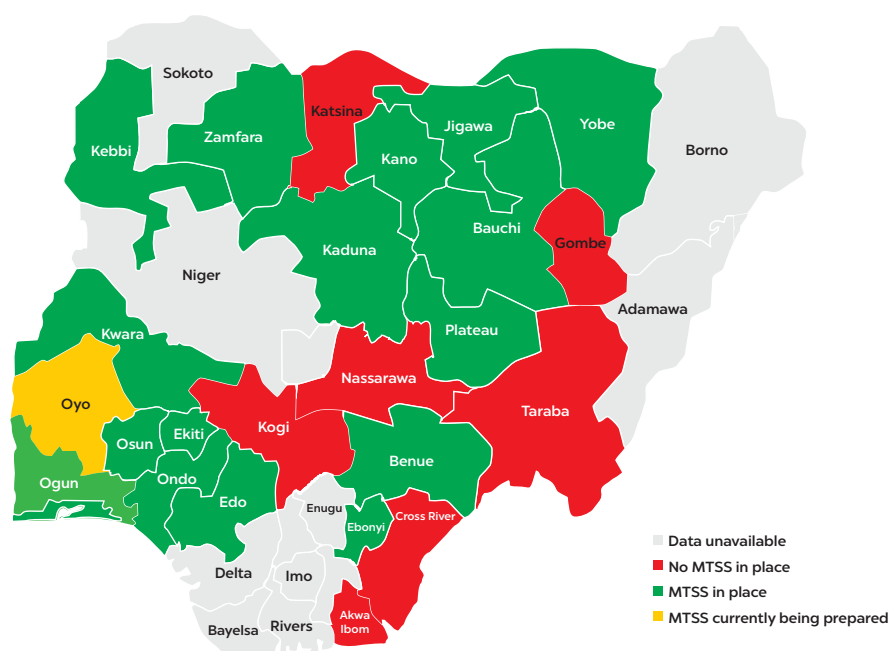
## 2.5 Medium-Term Sector Strategy Planning for the Sector

A survey of the 36 States was carried out in November 2023 to ascertain whether States had an up to date (i.e. covering at least the 2024 budget year) MTSS for the sector. The existence of an MTSS is important as it helps assess the maturity of policy and planning within the sector, and the extent to which the sector is contributing to the core objectives of Public Financial Management (PFM), namely:

- i. Aggregate Fiscal Discipline
- ii. Policy-Based Allocation of Resources; and
- iii. Value for Money.

The MTSS provides the linkage between the policies of the government and its annual budget (and actual expenditure). It captures activities, outputs, outcomes and impacts within the sector. Furthermore, when the programme segment of the NCOA is applied to the MTSS and the Annual Budget, it is possible to ascertain the extent to which policy priorities are reflected in the budget (PFM Core Objective 2: Policy Based allocation of resources). If actual expenditures are recorded against the programme segment, and proper monitoring and evaluation are undertaken to assess the extent to which outputs, outcomes and impacts have been achieved, it is possible to ascertain the value for money from expenditures within the sector (this is PFM Core Objective 3: Value for Money). Without an MTSS, it is difficult to align budget allocations to policy and to assess the impact of expenditures on education sector outcomes.

Figure 6: Status of Education MTSS in Nigerian States



The survey revealed that about half of the States (17) have an education MTSS covering at least the 2024 budget year. The survey did not interrogate the MTSSs to ascertain whether the documents set out the projects and programmes that will be carried out, how much each programme and project will cost, where the money for them will come from or who will carry them out. This may be carried out in a separate study to assess the integrity of MTSSs,

## 2.6 Structure of Education Spending

The Federal Ministry of Education (FME) is responsible for the coordination of education policies at the national level, and it oversees tertiary education, including universities and colleges, while the National Universities Commission (NUC) regulates and oversees the activities of universities in Nigeria. The National Board for Technical Education (NBTE) regulates and supervises technical education in the country, including the polytechnics and technical colleges. The National Commission for Colleges of Education (NCCE) regulates and supervises the activities of colleges of education.

State Ministries of Education implement national education policies at the State level, overseeing primary and secondary education. The State Universal Basic Education Boards (SUBEBs) implement the Universal Basic Education (UBE) programme at the State level.

This devolved system provides insight into the flow of education funding in the country. Funding for primary and secondary education comes from a combination of federal, state, and local government sources. The UBE fund is a key source for primary education. Federal universities, polytechnics and Colleges of Education receive funding from the federal government, while State-owned tertiary institutions receive funding from the respective State governments.

The section presents education sector expenditure at a disaggregated level. The following dimensions of analysis were envisaged:

- i. Allocation across various education levels (e.g., basic, secondary, tertiary).
- ii. Spending on specific areas (e.g., manpower development, infrastructure, teacher salaries).
- iii. Administrative and Operational Costs; and
- iv. Capital versus Recurrent Costs.

Dimensions i-iii are not available at this time. The reasons for this are explained below. The National Chart of Accounts (NCOA), which has six segments of coding, should allow the above dimensions of analysis to be conducted (see Box 1).

Despite the progress in budget practices, particularly in relation to the domestication of the NCOA in the annual budget, some challenges remain which make it difficult to break down expenditures under these categories. There are 3 main issues:

- Inability of State governments to accurately apply the NCOA coding to their budgets and actual expenditure;
- Inadequate content and low level of accuracy of the Financial Reports of States;
- The lack of a detailed programme segment coding in and up to the 2023 budgets of States.

Starting with the distribution of expenditures across the levels of education (e.g., basic, secondary, tertiary), this should be possible using the functional segment of the NCOA. The functional segment is based on the global standard Classification of Functions of Government (COFOG) which was developed and is sponsored by the International Monetary Fund (IMF) and the Organization for Economic Cooperation and Development (OECD). It includes four levels of education. The relevant coding is presented in Table 1.

Table 1: Functional classification of the education sector

Code	Description	Level	Level Description
709	EDUCATION	1	Function
7091	Pre-Primary And Primary Education	2	Sub-Function
70911	Pre-Primary Education	3	Detailed Function Item
70912	Primary Education	3	Detailed Function Item
7092	Secondary Education	2	Sub-Function
70921	Lower Secondary Education	3	Detailed Function Item
70922	Upper-Secondary Education	3	Detailed Function Item
7093	Postsecondary Non-Tertiary Education	2	Sub-Function
70931	Post-Secondary Non-Tertiary Education	3	Detailed Function Item
7094	Tertiary Education	2	Sub-Function
70941	First Stage of Tertiary Education	3	Detailed Function Item
70942	Second Stage of Tertiary Education	3	Detailed Function Item



7095	Education Not Definable by Level	2	Sub-Function
70951	Education Not Definable by Level	3	Detailed Function Item
7096	Subsidiary Services to Education	2	Sub-Function
70961	Subsidiary Services to Education	3	Detailed Function Item
7097	R & D Education	2	Sub-Function
70971	R & D Education	3	Detailed Function Item
7098	Education N.E.C.	2	Sub-Function
70981	Education N.E.C	3	Detailed Function Item

As previously highlighted, the main challenges of using the functional segment data are (i) the poor quality of application of the function segment to budgets, (ii) the lack of a set of "Statistical Reports" in the General Purpose Financial Statements of State Governments that are consistent with the statutory reports based on International Public Sector Account Standards (IPSAS), and (iii) the lack of a detailed statistical data in State budgets and accounts.

We present below the expenditures coded to the Function segment under Function 709 in Table 2 and Figure 7.

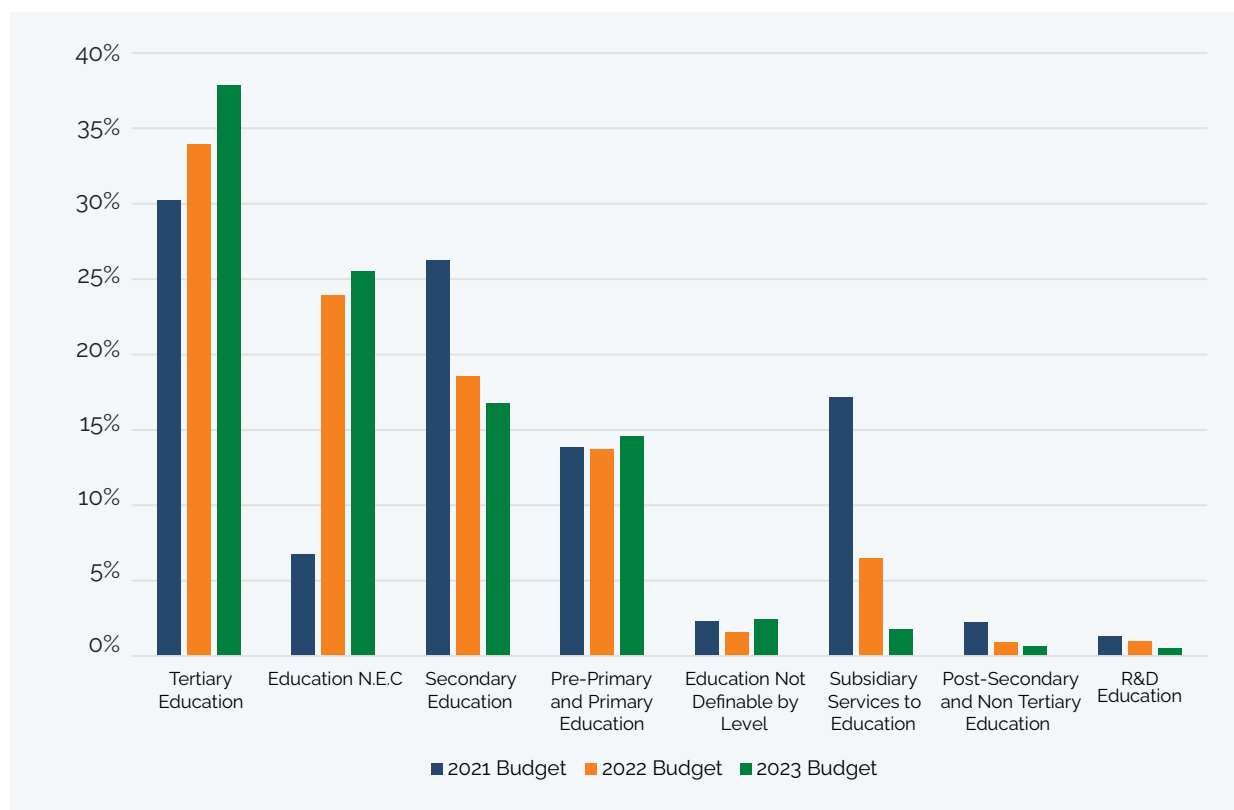
Table 2: Functional Classification of the Education Budget of States, 2021 – 23

Code	Function	2021 Budget	2022 Budget	2023 Budget
709	Education	1,282,233,880,013	1,525,471,140,767	1,614,170,480,038
7091	Pre-Primary and Primary Education	177,215,142,689	209,315,269,148	234,577,006,705
70911	Pre-Primary Education	27,981,715,736	-	331,735,000
70912	Primary Education	153,082,757,953	209,315,269,148	234,245,271,705
7092	Secondary Education	336,143,525,501	282,486,564,874	270,548,418,384
70921	Junior Secondary	47,328,275,420	36,280,258,785	17,831,755,362
70922	Senior Secondary	288,815,250,081	246,206,306,089	252,716,663,023

## Education Sector Expenditure and Institutional Review

7093	Post-Secondary and Non-Tertiary Education	28,790,219,056	13,477,850,718	10,072,710,970
70930	Post-Secondary and Non-Tertiary Education	28,790,219,056	13,477,850,718	10,072,710,970
7094	Tertiary Education	387,504,859,895	517,973,247,706	611,110,838,339
70941	First Stage of Tertiary Education	192,077,474,754	213,072,783,785	300,819,350,675
70942	Second Stage of Tertiary Education	195,427,385,142	304,900,463,921	310,291,487,664
7095	Education Not Definable by Level	29,551,827,504	23,846,771,155	39,545,353,300
70950	Education Not Definable by Level	29,551,827,504	23,846,771,155	39,545,353,300
7096	Subsidiary Services to Education	220,000,378,664	99,171,422,397	28,187,285,372
70960	Subsidiary Services to Education	220,000,378,664	99,171,422,397	28,187,285,372
7097	R&D Education	16,644,469,790	14,518,371,607	8,411,698,138
70970	R&D Education	16,644,469,790	14,518,371,607	8,411,698,138
7098	Education N. E. C	86,383,456,913	364,681,643,162	411,717,168,829
70980	Education N. E. C	86,383,456,913	364,681,643,162	411,717,168,829

Figure 7: Distribution of the Education Budget of States by Function Classification, 2021 – 23



Source: Budgets of States, 2023; NGF Public Finance Database, 2024

### Notes:

- Education not definable by level (COFOG-A 094) consists of government expenditure on vocational and other types of education not elsewhere classified.
- Subsidiary services to education, services concerned with transportation, food, lodging, medical and dental care and related subsidiary services chiefly for students regardless of level.
- R&D Education includes the administration and operation of government agencies engaged in applied research and experimental development related to education; - grants, loans and subsidies to support applied research and experimental development related to education undertaken by non-government bodies such as research institutes and universities. Excludes: basic research
- Education N.E.C. covers administration, operation or support of activities such as formulation, administration, coordination and monitoring of overall educational policies, plans, programmes and budgets; preparation and enforcement of legislation and standards for the provision of education, including licensing of

educational establishments; production and dissemination of general information, technical documentation and statistics on education. Includes: education affairs and services that cannot be assigned to others.

Tertiary education and education administration received the largest share of the aggregate education budget between 2021 and 2023, accounting for 53.62% of the total allocation. Specifically, tertiary education was allocated 34.11% while education administration received 19.51%. The remaining 46.38% was distributed across pre-primary (24.05%), primary (20.11%), post-secondary (1.18%), and education R&D (0.89%) sub-functions (Figure 7).

The dimensions of analysis related to (ii) Expenditures on specific areas (e.g., manpower development, infrastructure, teacher salaries) and (iii) Administrative and Operational Costs should be possible through a combination of Administrative, Economic and Programme segment coding. The administrative segment of the NCOA identifies the responsibility centre for expenditures (and for collecting revenues). Expenditures under the education sector will be coded to the Main Organisation 0517 which is the Ministry of Education, which incorporates all its departments, agencies and parastatals. The standard structure of the Main Organisation 0517 as per the NCOA is presented in Table 3.

Table 3: Administrative Segment Coding for the Education Sector

Code	Description	Level	Level Description
05	Social Sector	1	Sector
0517	MINISTRY OF EDUCATION	2	Main Org
051700100100	Ministry of Education	3	MDA
051700300100	Universal Basic Education Board	3	MDA
051700800100	Library Board	3	MDA
051700900100	State Examinations Board	3	MDA
051701000100	Mass Literacy Council	3	MDA
051701100100	Nomadic Education Board	3	MDA
051701800100	State Polytechnic	3	MDA
051702100100	State Universities	3	MDA

051702600000	State School	3	MDA
051705100100	Post Primary Education	3	MDA
051705200100	Primary Education Board / Commission	3	MDA
051705300100	Board For Technical Education	3	MDA
051705400100	State Teaching Service Board / Commission / Agency	3	MDA
051705500100	Science Technical and Vocational Board	3	MDA
051705600100	State Scholarship Board	3	MDA
051705700100	State College Board	3	MDA
051706400100	Education Resource Centre	3	MDA

State Governments can also add MDAs to the above structure, and a Main Organization (i.e. Ministries). In 16 of the 36 States, there is more than one Main Organisation responsible for the Education sector such as Basic Education and Higher Education (see Table 4). Some States also have ministries that appear to have responsibilities that cover education and other sectors. This makes identifying the relevant expenditure difficult in those States.

Table 4: States with more than one Education Ministry

State	Education Ministries
Abia	0517 Ministry of Basic Education 0575 Ministry of Post-Basic Education
Adamawa	0517 Ministry of Education and Human Capital Development 0568 Ministry of Tertiary and Professional Education
Anambra	0517 Ministry of Basic Education 0566 Ministry of Tertiary and Science Education
Borno	0517 Ministry of Education 0568 Ministry of Higher Education, Science Tech and Innovation

Delta	0517	Ministry of Secondary Education
	0564	Ministry of Higher Education
	0563	Ministry of Primary Education
	0565	Ministry of Technical Education
Gombe	0517	Ministry of Education
	0563	Ministry of Higher Education
Kano	0517	Ministry of Education
	0569	Ministry for Higher Education
Kebbi	0517	Ministry for Basic and Secondary Education
	0563	Ministry for Higher Education
Kwara	0517	Ministry of Education and Human Capital Development
	0557	Ministry of Tertiary Education
Lagos	0517	Ministry of Education
	0570	Special Adviser on Education
Niger	0517	Ministry of Education
	0566	Ministry of Tertiary Education, Science and Technology
Plateau	0517	Ministry of Education (Secondary Education)
	0564	Ministry of Higher Education
Sokoto	0517	Ministry of Education
	0569	Ministry for Higher Education
Taraba	0517	Ministry of Basic & Secondary Education
	0569	Ministry of Tertiary Education
Yobe	0517	Ministry of Basic & Secondary Education
	0563	Ministry of Higher Education, Science & Technology
Zamfara	0517	Ministry of Education
	0564	Ministry of Higher Education
	563	Ministry of Science & Tech. Education

For the purpose of data collection, the expenditures of all Ministries whose primary role is education are captured under 0517.

The economic segment coding is quite sound. This can distinguish between expenditures related to infrastructure, salaries etc. However, the quantum of data collection needed to present data on these items for the sector alone, and for budget and actual expenditure, is not yet feasible.

Finally, the programme segment of the NCOA should contribute to a deeper analysis of budgets in future years. The education sector (planning sector) coding for the 2024 budgets under the programme segment is presented in Table 5.

Table 5: Programme segment coding for the education sector

<b>Code</b>	<b>Description</b>	<b>Level</b>	<b>Level Description</b>
05	Education	1	Sector
0501	Effective governance of the education system	2	Objective
050101	Legal, policy, regulations and standards, guidelines and protocols development and reviews	3	Programme
050102	Human and institutional capacity performance management	3	Programme
050103	Education sector coordination mechanisms	3	Programme
050104	Integrated supportive supervision	3	Programme
0502	Increase in access, retention, and completion rate at all levels	2	Objective
050201	Early Childhood Care, Development and Education (ECCDE)	3	Programme
050202	Advocacy and Sensitisation	3	Programme
050203	School feeding	3	Programme
050204	School-based health	3	Programme

050205	Parental and community support	3	Programme
050206	Tertiary institutions' new courses accreditation	3	Programme
0503	Equity and inclusiveness in the provision of educational services	2	Objective
050301	Inclusive Education	3	Programme
050302	Special education	3	Programme
050303	Nomadic and migrants' education	3	Programme
050304	Second chance education	3	Programme
050305	Girls/Boys child education	3	Programme
050306	Emergency Response	3	Programme
0504	Improved quality of teaching and learning outcomes	2	Objective
050401	All levels of education quality assurance	3	Programme
050402	Instructional and learning materials	3	Programme
050403	Teaching and non-teaching staff capacity building	3	Programme
050404	Curriculum review and development	3	Programme
050405	Teachers' recruitment and deployment	3	Programme
050406	School examination and MLA	3	Programme
0505	Adequate infrastructure at all levels	2	Objective
050501	Schools' infrastructure construction and rehabilitation	3	Programme
050502	Furnishing	3	Programme
050503	Libraries and laboratories	3	Programme



050504	Water, sanitation and hygiene	3	Programme
050505	School safety	3	Programme
0506	Improved education information management system (EIMS)	2	Objective
050601	ICT equipment, software and expertise	3	Programme
050602	Research and development	3	Programme
050603	Data and data management	3	Programme
0510	Education Sector Expenditures Not Elsewhere Classified	2	Objective
051001	Education Not Elsewhere Classified	3	Programme

## 2.7 Capital versus Recurrent Expenditure

In this sub-section, we present and review allocations for recurrent expenditure i.e., spending for the administration of education, including personnel and maintenance costs, and capital expenditure in the budget and for actual expenditure. In the 2021/2022 period, the average capital to recurrent ratio was 31%:69% indicating greater spending on personnel, operational and maintenance costs for running government education activities. The prioritisation of recurrent spending was the case for 31 States with the exception of Katsina, Kebbi, Kaduna, Borno, and Delta where capital spending was over 50%. States like Bauchi, Benue, Ondo and Oyo recorded polar distributions, allocating over 95% of their education spending to recurrent spending in 2021 and 2022 leaving less than 5% for capital expenditure. In sharp contrast, Katsina State prioritised over 95% of its education budget on capital expenditure, while recurrent spending was less than 5%.

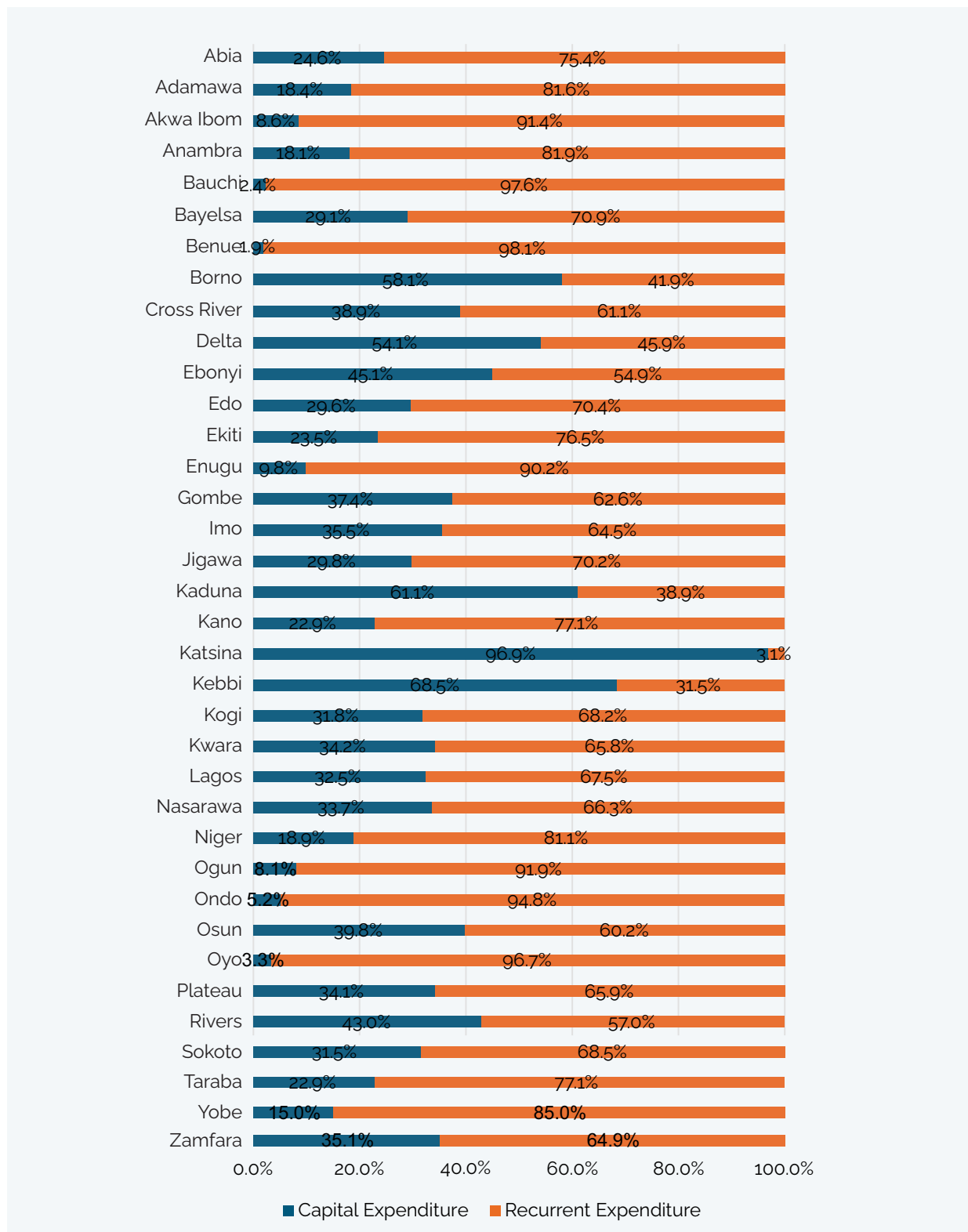
The prioritisation of recurrent spending in the sector reveals two trends - (i) a significant portion of education spending goes towards salaries and benefits for teachers, administrators, and other education staff, as well as essential operational costs like learning materials, school supplies and maintenance. (ii) amidst tight budget constraints, governments are prioritising recurrent spending to ensure schools are functioning, which is an immediate need, even if it means delaying capital projects.

States have been categorised into four groups:

- Category 1 - States with very high capital expenditure and insignificant proportion for recurrent (i.e., more than 80% capital and less than 20% recurrent).
- Category 2 - States with moderately high capital expenditure and average proportion for recurrent (i.e., between 50% and 80% for capital)
- Category 3 - States with a substantial proportion of capital expenditure (i.e., between 25% and 49% for capital).
- Category 4 - States with very high recurrent expenditure and very low capital expenditure (i.e., less than 25% for capital expenditure).

Category 1	Katsina
Category 2	Borno, Delta, Kaduna, Kebbi
Category 3	Abia, Bayelsa, Cross River, Ebonyi, Edo, Gombe, Imo, Jigawa, Kogi, Kwara, Lagos, Nasarawa, Osun, Plateau, Rivers, Sokoto, Zamfara
Category 4	Adamawa, Akwa Ibom, Anambra, Bauchi, Benue, Ekiti, Enugu, Kano, Niger, Ogun, Ondo, Oyo, Taraba, Yobe

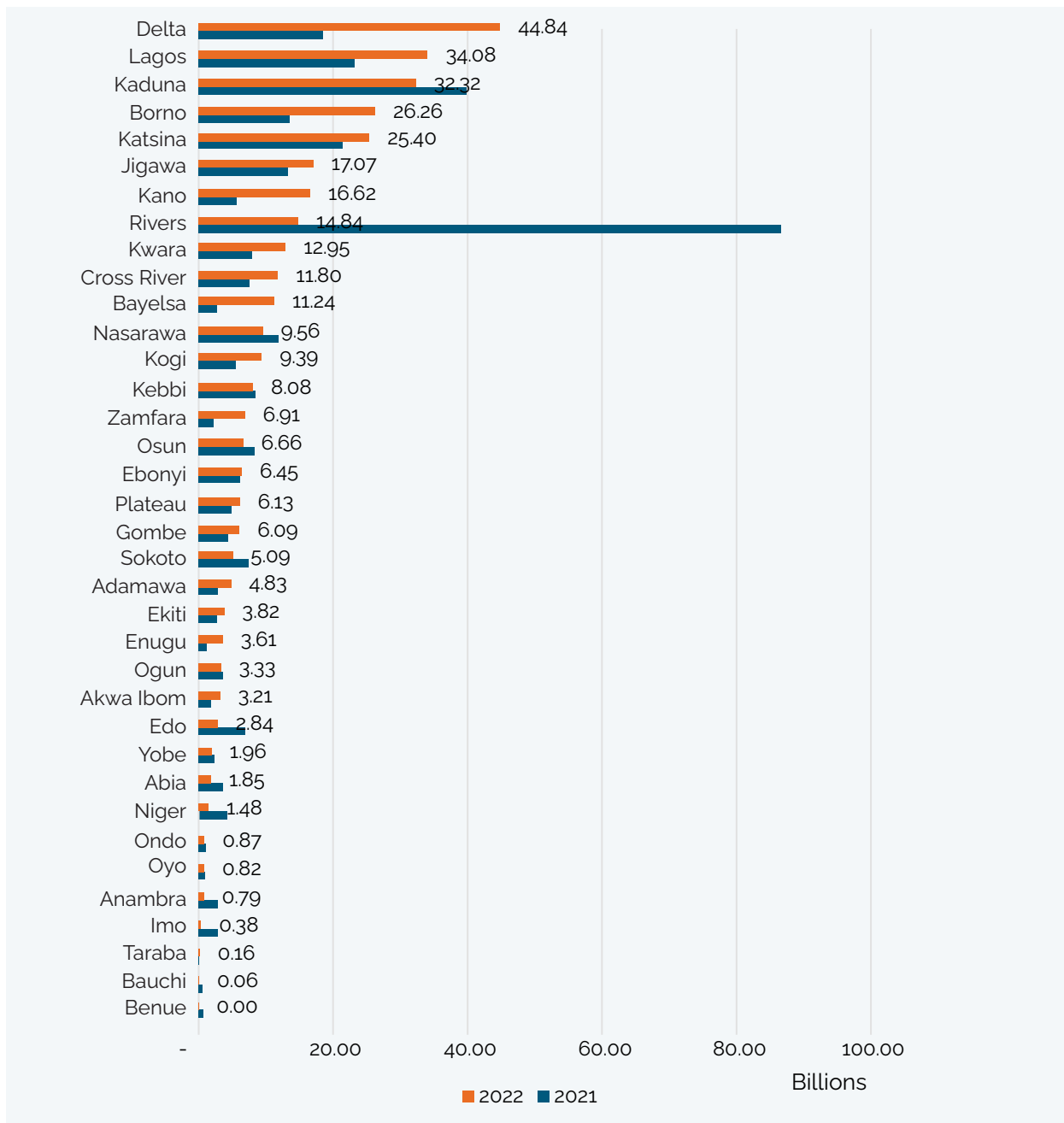
Figure 8: Capital: Recurrent expenditure ratio, % average, 2021 – 22



Source: Calculated based on data from the 2021 and 2022 Audited Financial Statements of States

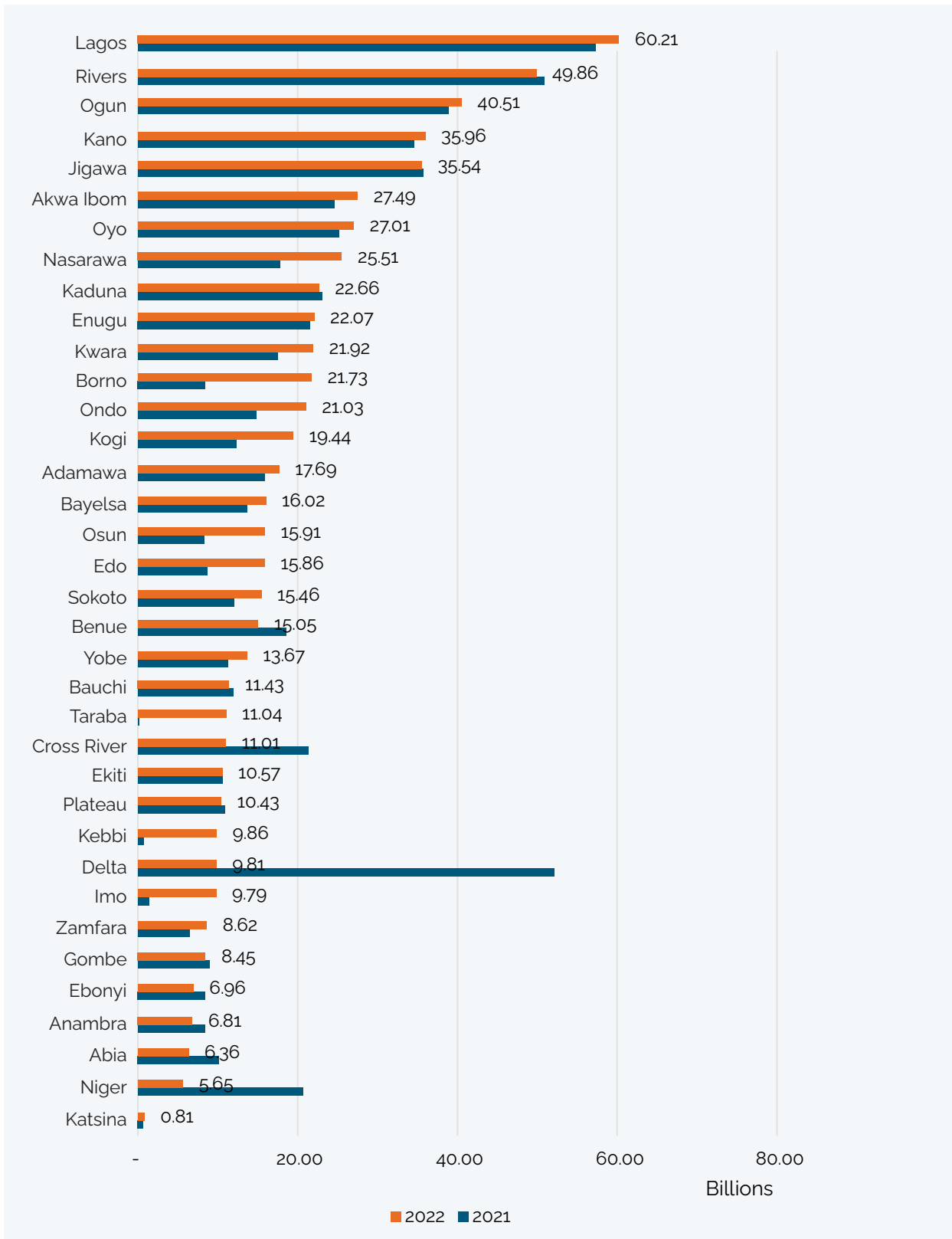
In nominal terms, the five States with the highest capital spending in the sector in 2022 were Delta (N45 billion), Lagos (N34 billion), Kaduna (N32 billion), Borno (N26.3 billion) and Katsina (N25.4 billion) - they account for nearly half of the total capital spending of all States in the country (See Figure 9). The States with the highest recurrent spending were Lagos (N60.1 billion), Rivers (N49.9 billion), Ogun (N40.5 billion), Kano (N36 billion) and Jigawa (N35.5 billion) (See Figure 10). The report identified instances where States coded certain recurrent items (e.g. scholarships, examination fees, feeding programmes etc) as capital costs.

Figure 9: Education sector capital expenditure for the 36 States (NGN), 2021 – 22



Source: The 2021 and 2022 Audited Financial Statements of States

Figure 10: Education sector recurrent expenditure for the 36 States (NGN), 2021 – 22



Source: The 2021 and 2022 Audited Financial Statements of States

Education budget balancing between capital expenditures (e.g. investments in school buildings, classrooms, laboratories and other learning centres) and recurrent expenditures (personnel and operational costs for teachers and administrators) is critical. Capital spending ensures the State fulfils one of its primary responsibilities of providing essential learning facilities. Once built, these facilities require staffing to operate, with the associated personnel and operating costs. Without optimal spending for staff and teachers' welfare, even the best-built facilities will struggle to deliver quality services. Underfunding either of the components could disrupt the educational system.

## 2.8 Funding Sources for the Sector

Funding sources for the sector come from general government revenues (Federal, State and Local Governments), contributions from development partners and alike, and investments from the private sector in terms of household expenditure, other private entities' investment in private schools, etc, which for the sector should be significant.

### 2.8.1 State Funding

State governments have five main sources of financing:

- **Recurrent Revenues**
  - Federation Account Revenues (e.g. Statutory Allocation, Mineral Derivation, Value Added Tax and other federation account revenue transfers);
  - Independent Revenues (tax and non-tax revenues collected in the State);
- **Capital Receipts**
  - Aid and Grants (Aid being financing that is received in-kind - i.e. money which does not flow through the State's bank account);
  - Loans; and
  - Other Receipts (e.g. sale of state assets, refunds (e.g. Paris Club), etc)

The sector generates a large share of Independent Revenue (from examination fees, tuition fees etc), receives various grants, loans and other receipts (see Table 6), and is also funded from the State's "Main Envelope" of discretionary funds.

However, due to the structure and content of the Financial Statements of State governments and poor record keeping of any receipts that do not flow through the main treasury of the State, it is difficult to ascertain the precise level of external funding that States receive. For this reason, the 2023 budget has been used as the basis for the analysis in this sub-section.

We start by presenting the recurrent revenues (collected by the Ministry of Education and its departments, agencies and parastatals) and capital receipts related to the education sector in the 2023 budgets of the 36 States, and the extent to which they cover the recurrent costs and capital investments of the sector. This report notes that the performance of revenues and capital receipts in terms of actual collections versus the budget can vary significantly from State to State.

Table 6: Education sector revenue and expenditure in the 2023 budgets of States

State	Education Sector Expenditure		Education Sector Revenue and Receipts			Share of Education Expenditure funded from Education Revenue	
	Recurrent Expenditure	Capital Expenditure	Total Expenditure	Independent Revenue	Capital Receipts	Independent Revenue	Capital Receipts
Abia	12,398,104,600	8,487,421,300	20,885,525,900	6,112,535,900	11,334,020,400	29.27%	54.27%
Adamawa	20,760,719,000	12,413,437,403	33,174,156,403	2,806,225,200	4,117,719,071	8.46%	12.41%
Akwa Ibom	41,818,687,450	8,862,442,510	50,681,129,960	1,602,657,600	1,000,000,000	3.16%	1.97%
Anambra	9,432,855,799	10,608,305,104	20,041,160,904	2,332,741,553	3,000,000,000	11.64%	14.97%
Bauchi	13,311,805,730	11,827,535,749	25,139,341,479	980,230,000	8,535,562,713	3.90%	33.95%
Bayelsa	25,543,436,109	11,250,000,000	36,793,436,109	10,000,000	-	0.03%	0.00%
Benue	21,239,147,669	4,264,491,404	25,503,639,072	5,652,835,141	10,215,591,256	22.16%	40.06%
Borno	13,216,617,000	20,352,219,000	33,568,836,000	12,400,041,000	26,197,615,000	36.94%	78.04%
Cross River	23,129,107,992	21,802,292,701	44,931,400,694	3,091,577,924	5,198,000,000	6.88%	11.57%
Delta	47,180,536,575	44,840,999,999	92,021,536,574	13,977,225,793	1,000,000,000	15.19%	1.09%
Ebonyi	10,691,620,468	10,733,700,000	21,425,320,468	296,041,135	4,233,000,000	1.38%	19.76%
Edo	13,638,120,242	19,400,000,000	33,038,120,242	1,209,717,938	19,846,000,000	3.66%	60.07%
Ekiti	18,575,717,916	2,549,473,325	21,125,191,242	4,054,455,517	6,528,027,354	19.19%	30.90%
Enugu	23,097,575,280	12,217,906,000	35,315,481,280	6,308,007,000	2,410,000,000	17.86%	6.82%
Gombe	9,763,405,000	11,366,700,000	21,130,105,000	857,445,000	7,900,000,000	4.06%	37.39%
Imo	1,679,934,588	15,472,950,000	17,152,884,588	17,218,146,160	11,248,700,000	100.38%	65.58%
Jigawa	38,778,924,000	23,266,431,000	62,045,355,000	1,203,688,000	31,028,340,000	1.94%	50.01%
Kaduna	28,994,063,565	76,427,348,751	105,421,412,317	7,815,411,600	31,056,571,781	7.41%	29.46%
Kano	36,752,143,185	30,104,439,848	66,856,583,033	2,384,264,000	7,579,049,290	3.57%	11.34%



Katsina	20,228,934,224	18,632,987,897	38,861,922,121	1,786,441,141	7,915,051,554	4.60%	20.37%
Kebbi	13,391,888,033	18,136,779,575	31,528,667,608	687,199,500	6,943,780,086	2.18%	22.02%
Kogi	19,223,115,468	16,387,747,010	35,610,862,478	2,686,123,295	2,930,807,073	7.54%	8.23%
Kwara	24,109,004,367	14,184,097,537	38,293,101,904	12,855,015,605	5,716,250,938	33.57%	14.93%
Lagos	109,179,050,247	41,947,216,460	151,126,266,707	15,134,546,150	15,677,004,800	10.01%	10.37%
Nasarawa	23,377,122,637	14,472,637,721	37,849,760,357	8,000,836,740	10,864,611,302	21.14%	28.70%
Niger	19,067,219,938	18,166,111,481	37,233,331,419	2,403,191,050	12,985,123,509	6.45%	34.87%
Ogun	44,400,895,257	26,995,210,041	71,396,105,298	21,244,542,165	10,300,450,589	29.76%	14.43%
Ondo	30,956,570,272	10,208,000,000	41,164,570,272	963,277,000	1,695,000,000	2.34%	4.12%
Osun	18,559,276,600	10,882,452,620	29,441,729,220	9,807,439,400	8,071,264,560	33.31%	27.41%
Oyo	49,081,658,561	7,582,182,707	56,663,841,268	11,439,395,748	3,750,000,321	20.19%	6.62%
Plateau	17,004,457,422	7,787,852,200	24,792,309,622	2,070,767,500	7,699,277,248	8.35%	31.06%
Rivers	53,159,703,412	36,999,486,717	90,159,190,129	124,000,000	-	0.14%	0.00%
Sokoto	18,967,379,299	14,530,835,933	33,498,215,232	940,827,000	3,124,350,291	2.81%	9.33%
Taraba	14,871,264,027	13,857,310,697	28,728,574,724	7,326,926,292	7,728,635,148	25.50%	26.90%
Yobe	18,509,577,000	9,134,800,000	27,644,377,000	1,120,900,000	1,500,000,000	4.05%	5.43%
Zamfara	8,861,461,000	8,510,000,000	17,371,461,000	678,450,000	3,700,000,000	3.91%	21.30%
Total	912,951,099,932	644,663,802,690	1,557,614,902,622	189,583,125,048	303,029,804,284	12.17%	19.45%

Source: Budgets of States, 2023

## 2.8.2 Private Sector Investments

Private sector funding of education in Nigeria comes from three main sources, namely;

- Household out-of-pocket private payments for education services,
- Private sector investments in setting up private schools, and
- Private sector donations to education services.

Information on funding from any of the three sources is not available.

### 2.8.3 External Funding, including Donor Contributions and Grants

External funding in this instance is considered as funding coming from outside the State government. Typically, this is sourced from one of the following:

- Federal government (including Central Bank of Nigeria loans)
- Contributions from local governments
- Grants and loans from development partners.

Table 7 provides an overview of receipts States anticipated in 2023 in support of the sector, broken into nature and source.

Table7: Education sector aid, grants and loans in the 2023 budgets of States

Nature	Source				Total	
	Foreign		Domestic		Amount	Share
	Amount	Share	Amount	Share		
Aid	6,160,000,000.00	6.61%	21,769,193,507.52	10.37%	27,929,193,507.52	9.22%
Loan	30,810,300,000.00	33.07%	2,500,000,000.00	1.19%	33,310,300,000.00	10.99%
Grant	56,198,135,631.08	60.32%	185,592,175,145.13	88.44%	241,790,310,776.21	79.79%
Total	93,168,435,631.08	30.75%	209,861,368,652.65	69.25%	303,029,804,283.73	100.00%

The most significant contributor to the State budget is domestic grants, and this is largely from two programmes run by the federal government:

- Universal Basic Education (UBE)
- Tertiary Education Fund (TETFund)

Other sources of support to the sector include grants from various UN agencies, and the United States Agency for International Development (USAID), as well as loans from the World Bank,<sup>5</sup> and contributions from local governments. In total, aid, grants and loans in the 2023 Budgets of the 36 States accounted for 19.45% of the total expenditure in the sector.

Full details of all capital aids, grants, loans and other capital receipts are presented in Table 8.

<sup>5</sup>See Adolescent Girls Initiative for Learning and Empowerment (AGILE)

<https://documents1.worldbank.org/curated/en/613581596247523870/pdf/Nigeria-Adolescent-Girls-Initiative-for-Learning-and-Empowerment-Project.pdf> and Better Education Service Delivery For All (BESDA) - <https://documents1.worldbank.org/curated/en/839251498183393835/pdf/BESDA-PAD-May-30-2017-06012017.pdf>

Table 8: Education sector aid, grants and loans in the 2023 Budgets of States – Individual Items

State	Receipt Description	2023 Budget	Nature	Source
Abia	Federal Government Grant for UBE	4,305,000,000	Grant	Domestic
Abia	UNICEF Grant & UBE	53,812,700	Grant	Foreign
Abia	World Bank Educational Grants Programmes	21,524,600	Grant	Foreign
Abia	Tertiary Education Trust Fund (TETFUND)- Federal Government of Nigeria	6,953,683,100	Grant	Domestic
Adamawa	Matching Grants on State UBE Programme	500,000,000	Grant	Domestic
Adamawa	Global Partnership for Education	1,044,999,071	Grant	Domestic
Adamawa	UNICEF -Ministry of Education	5,500,000	Grant	Foreign
Adamawa	Better Education Service Delivery for All (BESDA)	500,000,000	Grant	Domestic
Adamawa	Safe School Initiative (SSI)	22,000,000	Grant	Domestic
Adamawa	Grants from EU- UNICEF	200,000,000	Grant	Foreign
Adamawa	TETFUND	1,845,220,000	Grant	Domestic
Akwa Ibom	Federal Government UBEC - UBE Intervention Fund	1,000,000,000	Grant	Domestic
Anambra	Tertiary Trust Fund (TETFUND)	1,500,000,000	Grant	Domestic
Anambra	Universal Basic Education UBEC SUBEB Fund	1,500,000,000	Grant	Domestic
Bauchi	UNICEF Funds (Education)	40,000,000	Grant	Foreign
Bauchi	Learn Projects (USAID)	45,000,000	Grant	Foreign
Bauchi	Universal Basic Education Commission (UBEC) Fund	2,000,000,000	Grant	Domestic

Bauchi	EGR L2R/Relocation of Education Activities	200,000,000	Grant	Foreign
Bauchi	UNICEF (GESI/NLP)	205,562,713	Grant	Foreign
Bauchi	UNESCO (SMLA)	200,000,000	Grant	Foreign
Bauchi	Teacher Professional Development on EGR/Special Needs Education	160,000,000	Aid	Foreign
Bauchi	Basic Education Service Delivery for All (BESDA)	3,000,000,000	Loan	Foreign
Bauchi	Local Government Contribution (5%) to State University	480,000,000	Grant	Domestic
Bauchi	Capital Domestic Grants (Tertiary Education Trust Fund)	500,000,000	Grant	Domestic
Bauchi	Tertiary Education Trust Fund to Aminu Sallah College of Education	350,000,000	Grant	Domestic
Bauchi	Tertiary Education Trust Fund to A.T.A. Polytechnic	800,000,000	Grant	Domestic
Bauchi	Local Government Contribution to BASAME	45,000,000	Grant	Domestic
Bauchi	United Nations Education Social and Cultural Organisation (UNESCO)	10,000,000	Grant	Foreign
Bauchi	(Capital Grant) Tertiary Education Trust Fund to Adamu Tafa Balewa College of Education	500,000,000	Grant	Domestic
Benue	Current Grants from Other Sources: Non-Governmental Organisations (NGOs)- Education Support funding for Secondary Education in the State	50,000,000	Grant	Domestic
Benue	Capital Domestic Grants: Universal Basic Education Commission (UBEC) grants to the state for funding primary and Junior Secondary Education (FGN)	2,345,637,589	Grant	Foreign

Benue	Current Domestic Grants: Tertiary Education Trust Fund (TETFUND) (Federal Government of Nigeria)	723,070,000	Grant	Domestic
Benue	Current Domestic Aid - Tertiary Education Trust Fund (TETFUND) (Federal Government of Nigeria)	1,400,000,000	Grant	Domestic
Benue	Current Domestic Aid: Tertiary Education Trust Fund (TETFUND) & Others-intervention projects	950,000,000	Aid	Domestic
Benue	Capital Domestic Grants: TETFUND Intervention Projects	4,746,883,667	Grant	Domestic
Borno	2.5% Local Gov't Statutory Allocation: Construction of Public Schools.	704,402,000	Grant	Domestic
Borno	Grants and Aid/ Donations from Multi-Donor Budget Support: Purchase of Teaching and Learning Aid Equipment.	100,000,000	Grant	Foreign
Borno	Grant from Local Governments: Construction of Office at The Senate Building, Rehabilitation of Offices, Procurement of Material, Teaching and Learning Aid Equipment and Procurement of Executive Tables and Executive Chairs.	1,941,250,000	Grant	Domestic
Borno	TETFUND Intervention for Tertiary Institutions: Procurement of Books & Equipment	658,000,000	Grant	Domestic
Borno	TETFUND Intervention for Tertiary Institutions: Construction of Gymnasium/Gateway Fence & Land Scaping of Gadambuli Lecture Hall Area & Lecture Theatre/Hall	270,000,000	Grant	Domestic
Borno	TETFUND Intervention for Tertiary Institutions: Construction of Staff Quarters/Provost House/Guest House	400,650,000	Grant	Domestic
Borno	Adolescent Girls' Initiative Empowerment (AGILE): Construction of Mega Public Secondary Schools and Rehabilitation of Public Schools.	6,000,000,000	Grant	Foreign

Borno	FGN-UBEC (Matching Grant) for Renovation/Construction of Public Schools	3,134,784,000	Aid	Domestic
Borno	Better Education Service Delivery for All (BESDA PROJECT): Rehabilitation of Public Schools and Human Capital Development & Scholarships.	6,000,000,000	Aid	Foreign
Borno	TETFUND Intervention for Tertiary Institutions: Construction of 2 Blocks of Hostel, Construction of Examination Hall and Rehabilitation of Classes, Rooms and Libraries.	1,077,758,000	Grant	Domestic
Borno	TETFUND Intervention for Tertiary Institutions: Procurement of Chairs, Tables & Books, Repairs of 4-Blocks of Staff Quarters and Rehabilitation of Lectures Halls.	5,910,771,000	Grant	Domestic
Cross River	Federal Government UBE Matching Grant 2023 Unaccessed Fund	3,000,000,000	Grant	Domestic
Cross River	Federal Government UBE (Teachers Prof. Dev. Programme)	161,000,000	Grant	Domestic
Cross River	Better Education Service Delivery for All (BESDA)	537,000,000	Grant	Domestic
Cross River	Tertiary Education Trust Fund Grant	1,500,000,000	Grant	Domestic
Delta	Grant from World Bank for SUBEB	1,000,000,000	Grant	Foreign
Ebonyi	FGN TETFUND grants to Ebonyi State University for infrastructure and medical equipment at Uburu College of Medicine	1,223,000,000	Grant	Domestic
Ebonyi	FGN TETFUND grants to the College of Education Ikwo	300,000,000	Grant	Domestic
Ebonyi	Grants from UBEC Intervention in Education	1,500,000,000	Grant	Domestic
Ebonyi	BESDA Grants from UBEC on Education for Ebonyi UBEB "School Again" project	1,210,000,000	Grant	Domestic
Edo	Universal Basic Education: Matching Grant	3,000,000,000	Grant	Domestic

Edo	Edo Basic Education Sector and Skills Transformation (EDO BESST) Project -World Bank Project for Result (P4R)	15,846,000,000	Loan	Foreign
Edo	Innovation Development and Effectiveness in the Acquisition of Skills (IDEAS) Projects - FGN Grant	1,000,000,000	Grant	Domestic
Ekiti	UBEC Projects	1,204,452,354	Grant	Domestic
Ekiti	Adolescent Girls Initiative for Learning and Empowerment Project (AGILE) from the World Bank	2,668,575,000	Grant	Foreign
Ekiti	Innovative Development Effectiveness in Acquisition of Skills (IDEAS) from World Bank	2,655,000,000	Grant	Foreign
Enugu	Local Government Partnership on Education	250,000,000	Grant	Domestic
Enugu	Federal Government Grant for UBEC	2,160,000,000	Grant	Domestic
Gombe	Tertiary Education Trust Fund (TETFUND)	2,500,000,000	Grant	Domestic
Gombe	Universal Basic Education Commission (UBEC)	1,900,000,000	Grant	Domestic
Gombe	Innovation, Development and Effectiveness in the Acquisition of Skills (IDEAS) Project	3,500,000,000	Loan	Foreign
Imo	Home Grown School Feeding Programme (HGSFP)	72,200,000	Grant	Domestic
Imo	Imo State Polytechnic, Omuma	2,500,000,000	Loan	Domestic
Imo	Kingsley Ozumba Mbadiwe University Imo State (TETFUND Intervention)	390,000,000	Grant	Domestic
Imo	TETFUND (IMSU)	5,850,000,000	Grant	Domestic
Imo	TETFUND for Imo Polytechnic	1,916,500,000	Grant	Domestic
Imo	TETFUND for Imo State College of Education, Ihitte-Uboma	520,000,000	Grant	Domestic

Jigawa	Federal Grants for Universal Basic Education	1,760,400,000	Grant	Domestic
Jigawa	Global Education Grants (World Bank - BESDA Project)	4,500,000,000	Grant	Domestic
Jigawa	Federal Tertiary Education Grants (TETFUND) for Jigawa State Polytechnic	1,000,000,000	Grant	Domestic
Jigawa	Federal Tertiary Education Grants (TETFUND) for Bilyaminu Usman State Polytechnic	571,500,000	Grant	Domestic
Jigawa	Local Govt Capital Contributions - 2% LG Contribution	777,000,000	Grant	Domestic
Jigawa	Federal Tertiary Education Grants (TETFUND) for Jigawa State University	1,751,000,000	Grant	Domestic
Jigawa	Federal Tertiary Education Grants (TETFUND) for Jigawa State College of Education and Legal Studies	498,440,000	Grant	Domestic
Jigawa	Local Government Primary Education Funding (SUBEB-LEA Staff Cost)	20,170,000,000	Grant	Domestic
Kaduna	Reaching Out of School Children (ROOSC) Project	2,750,000,000	Grant	Foreign
Kaduna	Reaching Out of School Children (ROOSC) Project	3,888,500,000	Loan	Foreign
Kaduna	Better Education Service Delivery for All (BESDA)	11,459,925,240	Grant	Foreign
Kaduna	UBEC Intervention on Teachers' Professional Development	326,000,801	Grant	Domestic
Kaduna	UBE Intervention on Infrastructure	5,193,426,647	Grant	Domestic
Kaduna	UBEC Special Education Intervention	100,000,000	Grant	Domestic
Kaduna	UBEC Special Education Quality Assurance	39,754,786	Grant	Domestic
Kaduna	UBEC Intervention in Sports	47,268,183	Grant	Domestic
Kaduna	UBEC Intervention in Agriculture	96,816,038	Grant	Domestic



Kaduna	UNICEF Intervention (SUBEB)	13,100,000	Grant	Foreign
Kaduna	UBEC Intervention Fund 2021/2022	4,000,000,000	Grant	Domestic
Kaduna	Tertiary Education Trust Fund (KASU) Normal Intervention	680,000,000	Grant	Domestic
Kaduna	TETFund (Zonal Intervention) (KASU)	200,000,000	Grant	Domestic
Kaduna	TETFund Special High Impact Intervention Projects (KASU)	500,000,000	Grant	Domestic
Kaduna	NIMASA Intervention (KASU)	1,000,000,000	Grant	Domestic
Kaduna	TETFund (NBPZ) Normal Intervention	396,780,086	Grant	Domestic
Kaduna	TETFund (NBPZ) Zonal Intervention 2021/2022	130,000,000	Grant	Domestic
Kaduna	Tertiary Education Trust Fund (COE) Normal Intervention	235,000,000	Grant	Domestic
Kano	Innovation, Development and Effectiveness in the Acquisition of Skills Project (IDEAS)	415,000,000	Loan	Foreign
Kano	LGCs' Contribution for Educational Libraries and Laboratory (MoE)	88,000,000	Grant	Domestic
Kano	LGCs Contribution for Schools of Islamic Studies - 36 LGAs (MoE)	110,000,000	Grant	Domestic
Kano	Agile (World Bank Min. of Edu)	2,200,000,000	Loan	Foreign
Kano	Grant from UBEC (SUBEB)	830,894,290	Grant	Domestic
Kano	LGCs Contribution for the Rehabilitation of Primary Schools and Secondary Schools, Supply of Furniture and instructional materials	220,000,000	Grant	Domestic
Kano	5% IGR to KHETFUND	1,200,000,000	Grant	Domestic
Kano	TET Fund (Tertiary Education Trust Fund) State Collages of Education & Preliminary Studies	1,265,155,000	Grant	Domestic

Kano	Contribution From Aminu Dantata	250,000,000	Aid	Domestic
Kano	TET Fund (Tertiary Education Trust Fund) State Colleges of Education	1,000,000,000	Grant	Domestic
Katsina	UNICEF Support for School Census	11,356,100	Grant	Foreign
Katsina	World Bank Tertiary Education and Skills (TES) Fund	1,000,000,000	Grant	Foreign
Katsina	World Bank Adolescent Girls Initiative Learning Empowerment (AGILE)	5,000,000,000	Grant	Foreign
Katsina	Primary Schools Intervention Projects (UBEC, Abuja) (IR)	1,204,452,354	Grant	Domestic
Katsina	UNICEF Intervention in Primary Schools Activities (ER)	343,373,100	Grant	Foreign
Katsina	Girls Child Education and Development Activities (UNICEF Sponsored)	30,870,000	Grant	Foreign
Katsina	34No. LGAs Contribution to Katsina State Scholarship Allowances Scheme	325,000,000	Grant	Domestic
Kebbi	Federal Grant for Universal Basic (UBE)	1,175,000,000	Grant	Domestic
Kebbi	Better Education Service Delivery for All (BESDA)	1,200,000,000	Grant	Domestic
Kebbi	Tertiary Education Trust Fund Intervention (COE Argungu)	242,000,000	Grant	Domestic
Kebbi	Tertiary Education Trust Fund Intervention (KSUSTA)	600,000,000	Grant	Domestic
Kebbi	Tertiary Education Trust Fund Intervention Poly Dakingari)	1,026,780,086	Grant	Domestic
Kebbi	Adolescent Girls Initiative for Learning and Empowerment (AGILE) Programme (World Bank Loan)	2,700,000,000	Grant	Foreign
Kogi	Special Grants for Primary School Funding (UBEC)	539,519,000	Grant	Domestic
Kogi	School-Based Deworming Programme (International NGO)	210,481,000	Grant	Domestic

Kogi	5% Contribution from 21 LGAs for CUSTECH, Osara.	2,180,807,073	Grant	Domestic
Kwara	Commercial Bank Loan for Kwara State University, Malete (KWASU)	560,800,000	Loan	Foreign
Kwara	FG Contribution to Universal Basic Education	1,661,720,800	Grant	Domestic
Kwara	TETFUND to Kwara State Polytechnic, Ilorin	2,119,000,000	Grant	Domestic
Kwara	TETFUND to Kwara State University Malete	642,848,138	Grant	Domestic
Kwara	TETFUND to Kwara State College of Education, Ilorin	81,882,000	Grant	Domestic
Kwara	TETFUND to Kwara State College of Education, Oro	650,000,000	Grant	Domestic
Lagos	LASU: TETFUND	397,088,000	Aid	Domestic
Lagos	UBEC Grant, FG	3,373,303,446	Aid	Domestic
Lagos	TETFUND - Others	457,416,800	Aid	Domestic
Lagos	LASG EDU-Trust Fund (Organised Private Sector)	7,000,000,000	Grant	Domestic
Lagos	Lagos State Technical and Vocational Education Board	4,449,196,554	Aid	Domestic
Nasarawa	USAID Support for Human Capital Development	25,000,000	Grant	Foreign
Nasarawa	UNICEF Support to Education for Back-to-School	15,000,000	Grant	Foreign
Nasarawa	UNICEF Implementation for Back-to-School Programme	10,000,000	Grant	Foreign
Nasarawa	UNICEF Support on Digital Training for Secondary School Teachers	28,000,000	Grant	Foreign
Nasarawa	UBEC FGN Matching Grants	5,108,904,708	Aid	Domestic
Nasarawa	UBEC FGN Donation on Covid-19	148,500,000	Aid	Domestic
Nasarawa	TETFUND Intervention at Isa Mustapha Agwai 1 Polytechnic, Lafia	929,206,595	Grant	Domestic

Nasarawa	TETFUND Intervention at College of Education, Akwanga	1,600,000,000	Grant	Domestic
Nasarawa	TETFUND Intervention at Nasarawa State University, Keffi	3,000,000,000	Grant	Domestic
Niger	IDA Bilingual Education Programme	130,590,000	Grant	Foreign
Niger	World Bank (BESDA)-Capacity Training Programme for Teachers and Pupils and Instructional Materials	7,968,667,818	Grant	Foreign
Niger	UNICEF Girl Education Project	35,937,870	Grant	Foreign
Niger	Primary Education (UBEC/FGN Fund) Infrastructure Dev't, Research & Training, and Furniture Provision	1,380,000,000	Grant	Domestic
Niger	Niger State Polytechnic (FGN) Infrastructure Dev't, Research & Training	635,000,000	Grant	Domestic
Niger	Niger State College of Education (FGN) Infrastructure Dev't, Research & Training	909,827,821	Grant	Domestic
Niger	Ibrahim Badamasi Babangida University Lapai (IBBUL) (FGN) Infrastructure Dev't, Research & Training	1,925,100,000	Grant	Domestic
Ogun	Grant from TETFUND	4,425,000,000	Grant	Domestic
Ogun	FGN Counterpart Funding for Universal Basic Education Fund	5,875,450,589	Grant	Domestic
Ondo	UBEC /SUBEB Fund: FGN Grant to Fund the Development of Primary Schools Infrastructure	1,695,000,000	Grant	Domestic
Osun	Technical Support / Grant from UNICEF on Health and Education Programme	4,000,000	Grant	Foreign
Osun	Support from Federal Government on Skill Acquisition Programme for Women	100,000,000	Aid	Domestic
Osun	Grants from Local Government for Home Grown School Feeding	859,242,960	Grant	Domestic

and Health Programme (O-Meal)

Osun	Grant from Local Government to Support Osun State Primary Education	1,661,720,800	Grant	Domestic
Osun	Grant from Universal Basic Education Commission to Support Primary Education	1,661,720,800	Grant	Domestic
Osun	Senior Secondary Intervention Fund from Federal Government for Infrastructural Projects in Senior Secondary Schools	1,200,000,000	Aid	Domestic
Osun	Grant from Tertiary Education Trust Fund (TETFUND) for Capital Projects	200,000,000	Grant	Domestic
Osun	Grant from Tertiary Education Trust Fund for Academic Staff Training and Development	150,000,000	Grant	Domestic
Osun	Grants from Tertiary Education Trust Fund Intervention for Academic Staff Training, Research & Development and Capital Projects	288,000,000	Grant	Domestic
Osun	Grants from the Tertiary Education Trust Fund (TETFUND) For Intervention Capital Projects and Staff Development e.g. Infrastructural Projects, etc	539,500,000	Grant	Domestic
Osun	Grant from Tertiary Education Trust Fund Intervention for Construction of School of Early Childhood Care	260,000,000	Grant	Domestic
Osun	Grant from Tertiary Education Trust Fund Intervention for Research and Development (Research Studies, etc.)	188,500,000	Grant	Domestic
Osun	Grant from Tertiary Education Trust Fund Intervention for Procurement of 500kva Transformer for the College	8,580,000	Grant	Domestic
Osun	Tertiary Education Trust Fund Intervention for Infrastructural Projects (Construction, Furnishing, etc.)	950,000,000	Grant	Domestic

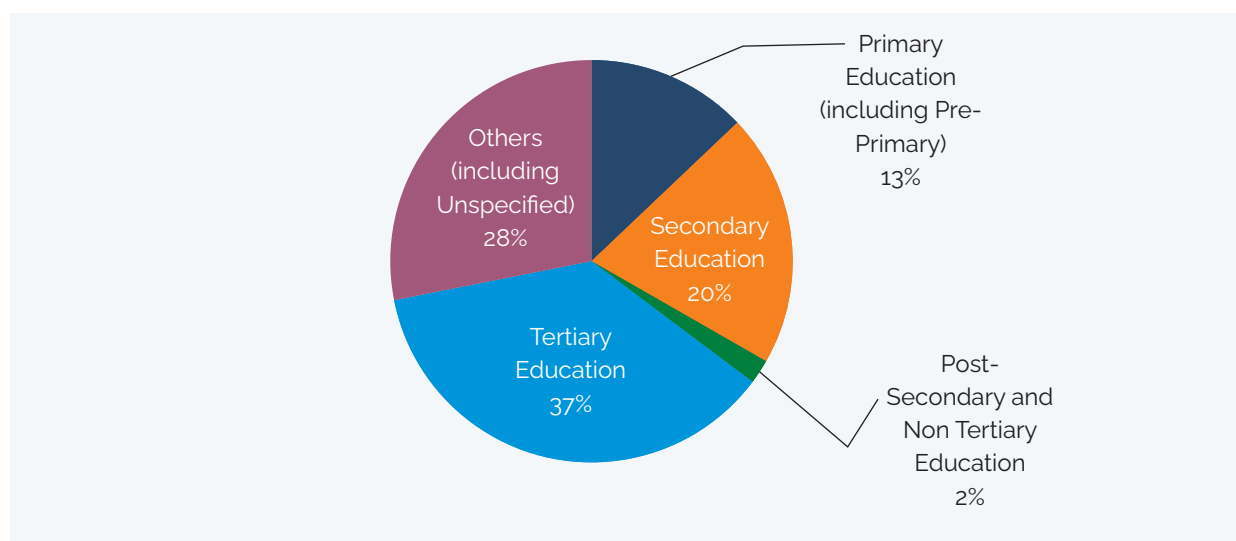
Oyo	Transforming Education Sector in the State supported by the World Bank	2,050,000,321	Grant	Foreign
Oyo	State Universal Basic Education	1,700,000,000	Grant	Domestic
Plateau	AGILE Project	3,600,000,000	Grant	Foreign
Plateau	LG Grants to UBEC	380,000,000	Grant	Domestic
Plateau	LG Grants to Plateau State University	259,267,040	Grant	Domestic
Plateau	TETFUND to Plateau State Polytechnic	575,510,208	Grant	Domestic
Plateau	TETFUND to Plateau State University	200,000,000	Grant	Domestic
Plateau	TETFUND to Plateau State University	1,684,500,000	Grant	Domestic
Plateau	UBEB Grant	1,000,000,000	Grant	Domestic
Sokoto	Learn to Read/USAID Project	1,724,350,291	Grant	Foreign
Sokoto	ASPIRE to Read	600,000,000	Loan	Foreign
Sokoto	Adolescent Girls Initiative for Learning and Empowerment (AGILE)	800,000,000	Loan	Foreign
Taraba	UNICEF Grant for Education Enhancement in the State	47,352,289	Grant	Foreign
Taraba	Better Education Service Delivery for All (BESDA) Funded by FGN	1,107,150,000	Grant	Domestic
Taraba	TETFUND Grant for Infrastructural Development in the Tertiary Institutions	950,000,000	Grant	Domestic
Taraba	TETFUND Grant for Infrastructural Development in the Tertiary Institutions	1,100,000,000	Grant	Domestic
Taraba	TETFUND Grant for Infrastructural Development in the Tertiary Institutions	4,524,132,859	Grant	Domestic

Yobe	Universal Basic Education (UBE) Matching Grant from the Federal Government of Nigeria	1,500,000,000	Grant	Foreign
Zamfara	Grants from Universal Basic Education	200,000,000	Aid	Domestic
Zamfara	FGN Grant - TETFUND for Tertiary Institutions	2,000,000,000	Aid	Domestic
Zamfara	FGN Grant To Home-Grown School Feeding Programme	1,500,000,000	Grant	Domestic

## 2.9 Distribution of Education Resources

At 37%, tertiary education accounts for the largest share of the education budget of States (Figure 11). This is based on the 3-year average from 2021-2023. 20% was allocated to Public Junior Secondary Schools (JSS) which provide lower secondary education for students aged 12 to 15 years and Public Senior Secondary Schools (SSS) which offer upper secondary education for students aged 15 to 18. Primary education being the primary responsibility of local governments accounted for only 13% of State education budgets.

Figure 11: Distribution of educational spending by level of education, average, 2021-23



Source: Calculated based on data from the Budgets of States, 2021-23

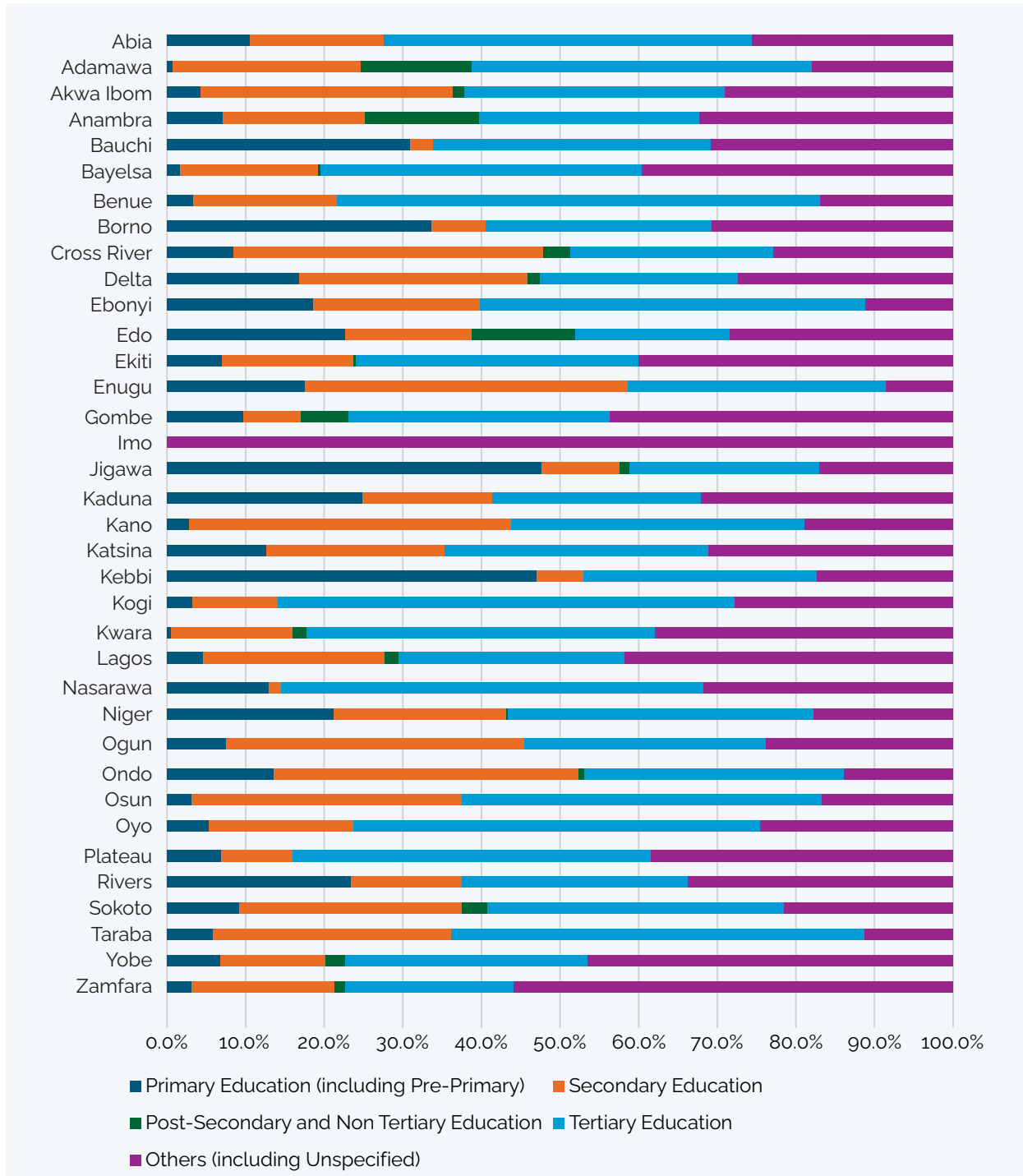
The prioritisation of tertiary education is true for most States. In 2022, only 5 States recorded relatively higher spending on primary education compared to the other levels of education. They include Bauchi (31%), Borno (44%), Delta (37.1%), Jigawa (41.5%), and Kebbi (60.2%) (See Figure 12). Across the board, only 4 States - Bauchi, Borno, Jigawa, Kebbi, and Rivers maintained a minimum of 20% allocation for primary education. This is not surprising since primary education is generally funded by local governments, with supplementary funds provided through the UBE and State subventions. In half of the States, less than 10% of their total education budget is allocated to primary education. Due to inconsistencies in State financial reporting, particularly regarding primary education spending by local governments, a comprehensive evaluation of educational spending effectiveness at this level is currently not possible. Additional insights will be gained by examining spending trends at the local level.

The report notes that although State governments are not constitutionally responsible for the provision of primary education, they still share significant responsibility for the



state of education at all levels, including allocating and overseeing a significant portion of primary education financing, developing and implementing education policies that guide curriculum content, teacher training standards, and school management practices, as well as policy coordination and the enforcement of standards.

Figure 12: Level of education State governments prioritised in their budgets, 2021 - 23



Source: Calculated based on data from the Budgets of States, 2021-23

The focus group discussion with stakeholders revealed a diverse range of perspectives on the equity and effectiveness of the distribution of education resources at the State level. Key concerns raised were the following:

- **Inadequate Funding:** Limited investment in the sector restricts resource availability and hinders the achievement of significant programme impacts.
- **Education Facility Constraints:** Existing school facilities struggle to accommodate growing student populations arising from rural-urban migration and inter-State migration of families. Lagos State provides an example of an educational system that is experiencing the constant demand for increased educational funding for facilities that have been strained due to the pace of urban agglomeration.
- **Need for Prudent Financial Management:** Given the limited fiscal space for education financing, stakeholders emphasised the importance of efficient resource allocation to maximise impact.
- **Varying Levels of Performance:** Outcomes and implementation effectiveness differ across States; hence, there is no national consensus on the results or achievements of the education system. There is also no unanimity on the factors that contribute to the effective implementation of educational programmes, such as the number of qualified teachers, the quality of teaching materials, adequacy of school facilities and infrastructure, or the level of parent involvement.
- **Challenges of Scale:** The system might be efficient at getting students enrolled, perhaps due to low fees or accessible locations, but concerns exist about the overall impact of student learning on educational attainment (high enrolment figures might not translate to high graduation rates or improved learning outcomes) and societal benefits (the education system may not be preparing students for the work-life).

# 3. Institutional Review

## 3.1 Institutional Framework

Education governance in Nigeria is a shared responsibility. The federal government has the responsibility for policy design, strategy, and management of all federal government-owned unity schools, colleges of education, polytechnics and universities as well as Education for All (EFA), literacy, adult and non-formal education and special education. Through the Federal Ministry of Education (FME), the federal government sets national policy, establishes curriculum standards, and monitors performance across the system.

Beyond the role of policy setting, the FME also influences the financing and management of primary education through special institutions and funding mechanisms established at the federal and State levels including the UBE, funded from 2% of the federal government's Consolidated Revenue Fund (CRF) to finance basic education, and TETFUND, funded from a dedicated 2% Education Tax levied on the assessable profits of companies registered in Nigeria to provide supplementary funding for public tertiary institutions (universities, polytechnics, and colleges of education). The federal government also funds other needs-based interventions for specific educational development projects through special allocations, grants, and partnerships. This expanded role of the federal government has brought about responsibility and authority sharing for educational spending and outcomes at all levels of education (see Figure 13).

Figure 13: Levels of education in Nigeria

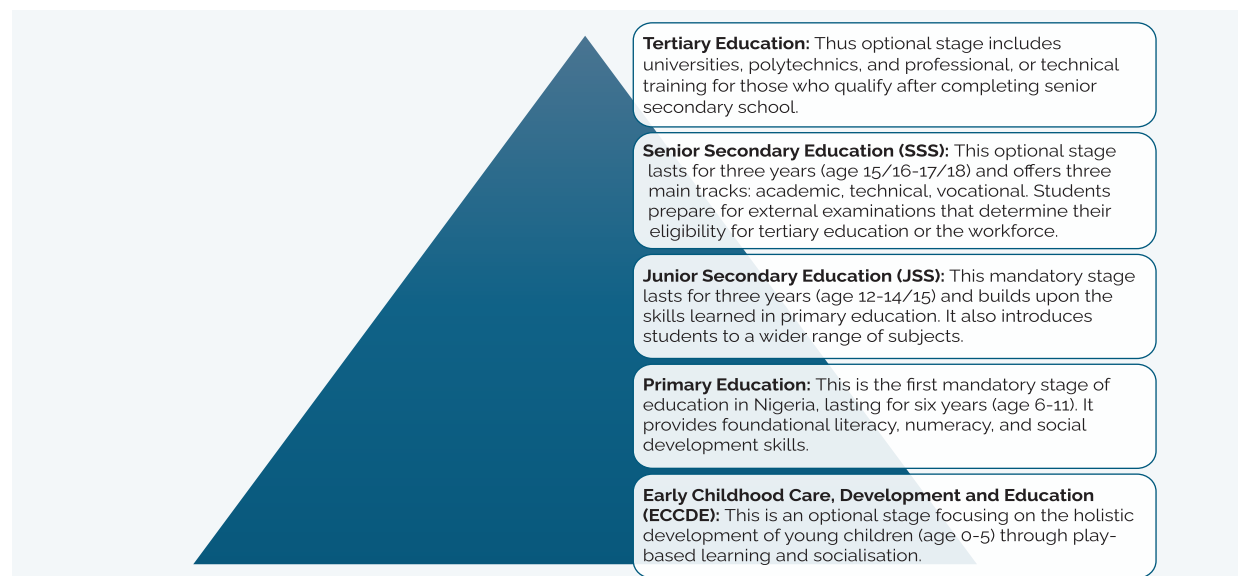


Table 9: Education governance and administration responsibilities across levels in Nigeria

S/N	Level of Education	Federal	State	LGAs
1	Basic (ECCDE, Primary and Junior Secondary)	<ul style="list-style-type: none"> <li>i. Policy development</li> <li>ii. Allocation of resources through UBEC</li> <li>iii. Maintenance of standards (inspection and monitoring FIS)</li> </ul>	<ul style="list-style-type: none"> <li>i. Policy development</li> <li>ii. Implementation through SUBEBs</li> </ul>	Management of primary schools
2	Senior Secondary	<ul style="list-style-type: none"> <li>i. Policy development</li> <li>ii. Curriculum development</li> <li>iii. Inspectorate</li> <li>iv. Examinations through the West African Examinations Council (WAEC) and National Examinations Council (NECO)</li> <li>v. Management of Federal Unity Schools</li> </ul>	<ul style="list-style-type: none"> <li>i Policy</li> <li>ii Implementation</li> <li>iii Inspectorate</li> <li>iv Management of Technical Colleges</li> </ul>	
3	Tertiary Education	<ul style="list-style-type: none"> <li>i. Policy development</li> <li>ii. Management of federal-owned Universities, Polytechnics, and Colleges of Education</li> </ul>	<ul style="list-style-type: none"> <li>i Management of State-owned Universities, Polytechnics, and Colleges of Education</li> </ul>	
4	Adult Education	Policy coordination	Policy development, implementation and monitoring	Implementation
5	Special Education	Policy coordination	Policy development, implementation and monitoring	Implementation

Source: Federal Ministry of Education, 10-year Strategic Plan, 2007

## **State-Level Education Management**

State governments hold the primary responsibility for crafting legislation governing technical, vocational, and post-primary education. The management of secondary schools is a shared endeavour between State governments and the private sector. Within each state, the Ministry of Education, in collaboration with the State Universal Basic Education Board (SUBEB), oversees educational matters. SUBEB, specifically tasked with basic education, works in tandem with the Post-Primary Education Board to ensure a seamless transition between primary and secondary levels. The State education ministry formulates education policies aligned with national guidelines, while specialised departments handle policy implementation at the State level.

## **Local Government Administration of Primary Education**

Local governments are the bedrock of primary education in Nigeria. They are responsible for providing and maintaining primary schools but are typically supported by State governments. Local Government Education Authorities (LGEAs) manage public primary schools in collaboration with State Primary Education Boards (SPEBs). Local communities are expected to be directly involved in the management of public primary schools through District and Village Education Committees and Parent-Teacher Associations (PTAs), but the reality is generally different. While the Committees have not functioned as intended, PTAs are cast in a supporting role rather than a managerial one. At the school level, effective enrolment, attendance and learning depend on the cooperative efforts of school staff, pupils, households, and local communities.

### **3.2 Other Institutional Coordination**

Besides the Ministries of Education, other entities play crucial roles in providing comprehensive oversight of the education system. SUBEB, established by the UBE Act of 2004, is responsible for overseeing basic education delivery at the State level, managing primary education funds allocated by the federal government, and approving and monitoring school development plans. The Teachers Service Commission (TESCOM) established at both federal and State levels, plays a crucial role in ensuring the quality of teachers in Nigeria's education system, while the National Board for Technical Education (NBTE) sets the standards and curriculum for technical education in the country.

During the focus group discussion, stakeholders in the sector described a positive atmosphere of cooperation among educational institutions. They highlighted strong working relationships, synergy, and regular meetings as key examples of cohesion but reported the difficulty in accessing their approved budgets. Poor budget implementation hampers the full delivery of targeted education activities. The key

conclusions around institutional engagement and collaboration include the following:

- **Central Role of the Ministry:** The Federal Ministry of Education is recognised as the central coordinating entity for educational policies and plans in the country, suggesting a converging point for shaping the sector's direction.
- **Call for Broader Engagement:** While the Ministry's leadership role is acknowledged, strengthening collaboration with other institutions in the sector and external stakeholders remains crucial to foster comprehensive planning and a holistic approach to tackling challenges in the education system. The absence of some agencies during coordination meetings has hindered a more unified approach to the implementation of educational programmes.
- **Overlap in Oversight:** Respondents acknowledged supervisory overlaps in the different educational levels. This suggests the need to streamline mechanisms and processes for coordination, monitoring and evaluation.

Figure 14: Oversight Institutions for Primary, Secondary and Tertiary Education in Nigeria

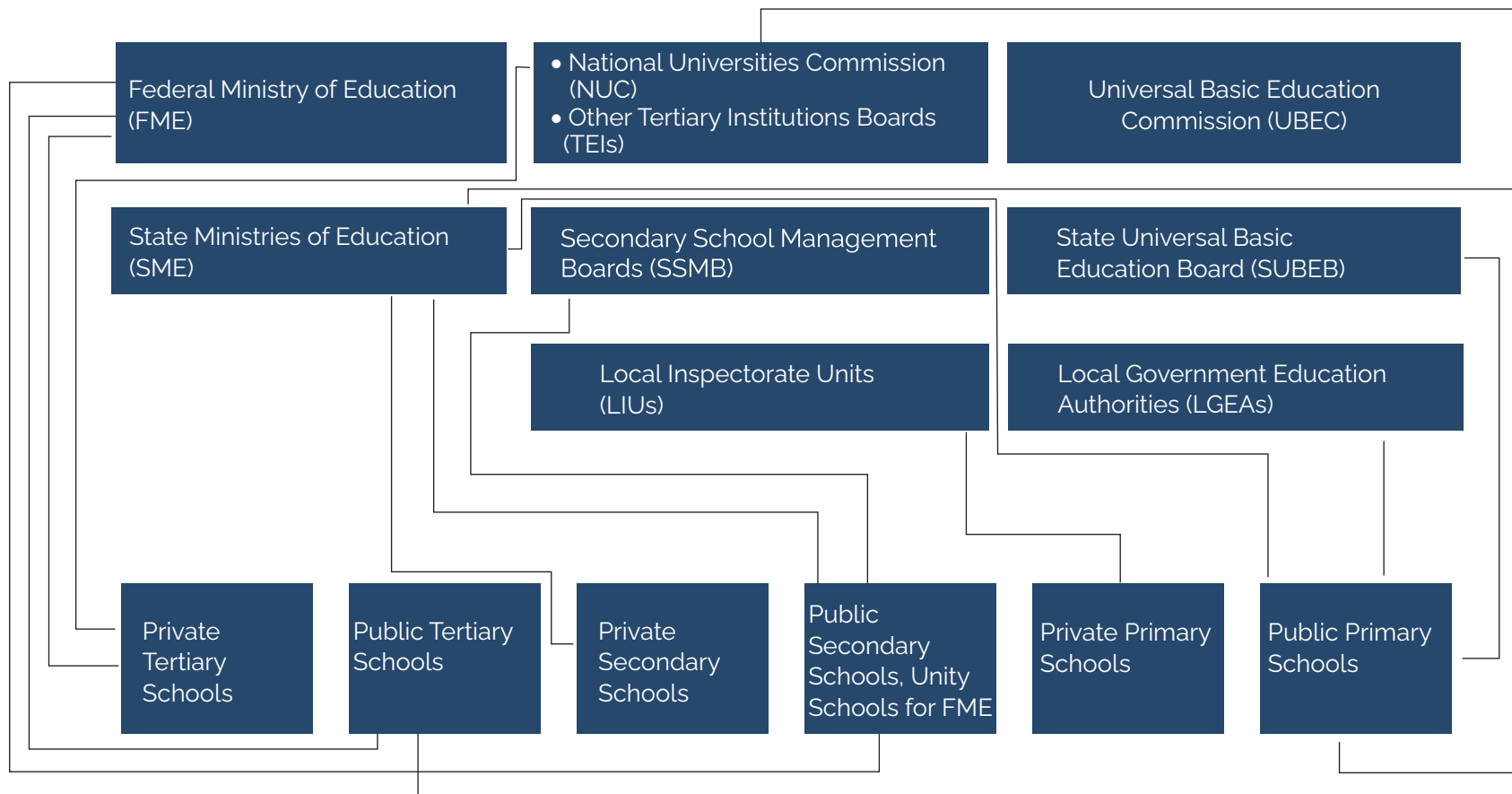


Table 10: Education Authorities in Nigeria

1.	Federal Ministry of Education (FME)	The Federal Government, through the Federal Ministry of Education (FME), sets national education policies and guidelines
2.	National Assembly and State Houses of Assembly	The National Assembly (Senate and House of Representatives) provides legislative oversight and approves the national budget, including allocations for education. State Houses of Assembly do the same at the State level.
3.	Universal Basic Education Commission (UBEC)	UBEC is an independent agency responsible for managing and disbursing funds for basic education (primary and junior secondary school) across the country.
4.	National Universities Commission (NUC)	The NUC oversees the regulation of academic standards in Nigerian universities.
5.	Other Tertiary Institutions (TEIs)	This category includes Colleges of Education (COEs), Polytechnics, and other tertiary institutions and their regulatory bodies.
6.	State Universal Basic Education Commission (SUBEC)	Each State has a SUBEC that coordinates basic education implementation and allocates funds to local governments.
7.	State Ministries of Education (SME)	The SME in each State is responsible for implementing national education policies at the State level.



8.	Local Government Education Authorities (LGEAs)	Local governments have responsibility for primary education within their jurisdictions.
9.	District Universal Basic Education Committee (DUBEC) <sup>6</sup>	A committee at the district level that supports SUBEC in implementing basic education programmes.
10.	Local Inspectorate Units (LIUs)	These units monitor the quality of education provision at the local level.
11.	School Management Boards/Committees	Schools have governing boards or committees responsible for overseeing school operations and management.
12.	Public and Private Schools	Both public and private schools operate within the Nigerian education system, although they may have different oversight structures.

Stakeholders identified six (6) major obstacles that hinder an integrated educational system. These include:

- **Fragmented Responsibilities:** Education oversight is spread across different government levels and agencies, which sometimes leads to overlap and duplication of roles.
- **Information Silos:** Limited information-sharing platforms among stakeholders hinder comprehensive planning, resource allocation, and monitoring of educational resources and outcomes.
- **Resource Allocation Challenges:** Inequitable allocation of resources across States and educational levels is creating disparities in the implementation of education programmes.
- **Political Interference:** Shifts in political priorities and changes in resource allocation can create challenges in maintaining a long-term educational agenda through optimal resource allocation.
- **Bureaucratic Hurdles:** Inefficient processes (including long procurement

<sup>6</sup>DUBEC is a legal instrument in the UBE Act but are yet to be established by States.

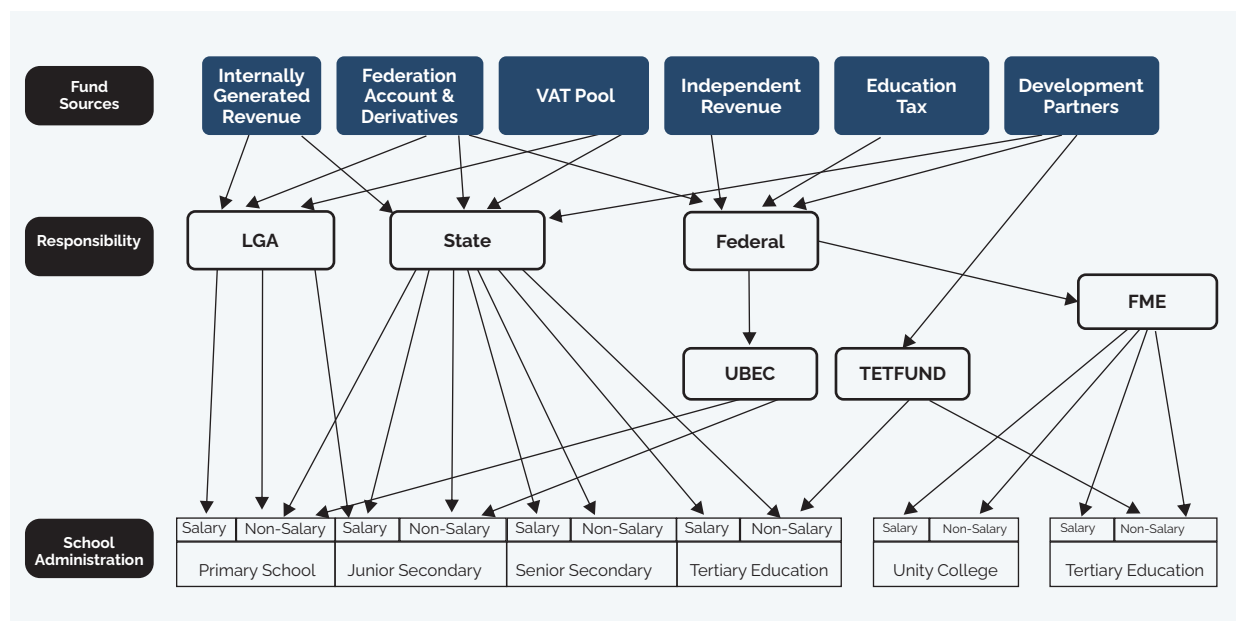
processes) slow down the pace and implementation of educational programmes, especially during emergencies.

- **Capacity:** Low morale for personnel arising from low remuneration and compensation limits the effectiveness of educational initiatives.

### 3.3 Flow of Funds for school administration

Besides discretionary funds from government budgets and needs-based interventions from the federal, State and local governments, the two (2) primary intergovernmental transfer mechanisms for educational financing in the country are UBEC and TETFUND which provide funding at the primary and tertiary levels respectively. Figure 15 illustrates the flow of education funding in Nigeria, highlighting the journey of money from its source to schools and institutions where they are used. Funding originates from various sources, reflecting a shared responsibility for education across government levels.

Figure 15: Fund flow for school administration



#### 3.3.1 Universal Basic Education Commission (UBEC)

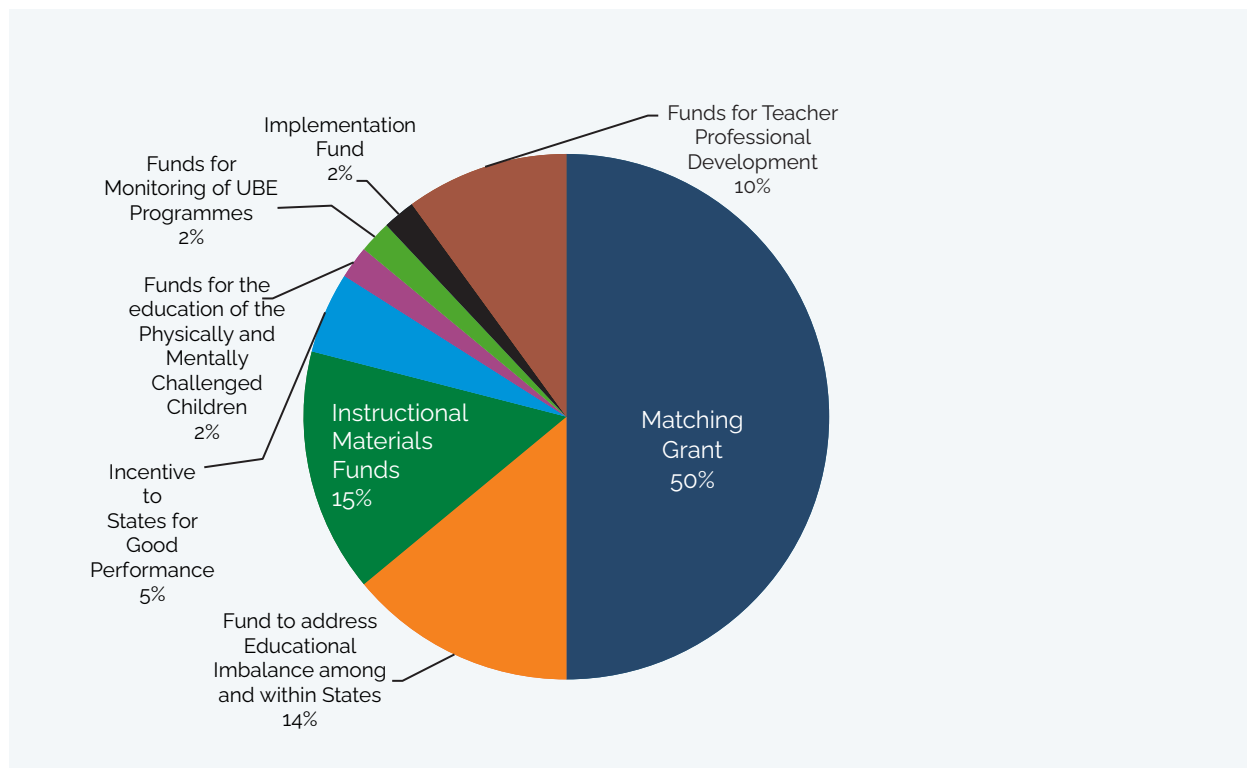
The UBE funding programme is a crucial source of funding for Early Childhood Care and Development Education (ECCDE), primary and JSS education. Funds are distributed from UBEC to State Universal Basic Education Commissions (SUBECs) and Local Government Education Authorities (LGEAs) for implementing basic education programmes and infrastructure development, including free tuition, free textbooks for English Studies, Mathematics, Basic Science/Technology and Social Studies and classroom facilities. Although basic education is the constitutional responsibility of local governments, this Federal Government intervention is aimed at promoting

uniform and qualitative basic education throughout the country. For any State to qualify for the Federal Government UBE grant, the State must contribute not less than 50% of the total cost of projects as its commitment to the execution of the project. The rest are targeted at teacher professional development and educational imbalance among others (see Figure 16). The conditions for each State to access the grant are prescribed as follows:

- i. Replicate the UBE Act at the State level and set up a State Universal Basic Education Board.
- ii. Provide matching grants to the federal government's intervention funds.
- iii. Draw up State UBE Action Plans outlining specific strategies for utilising UBE funds and achieving basic education goals.
- iv. Establish adequate mechanisms for programme implementation, monitoring and evaluation.

To ensure transparency in the allocation of UBE funds, States are required to establish a dedicated bank account for managing the funds. They are also required to submit financial reports and progress to UBEC regularly to document how the funds are utilised and the impact they make.

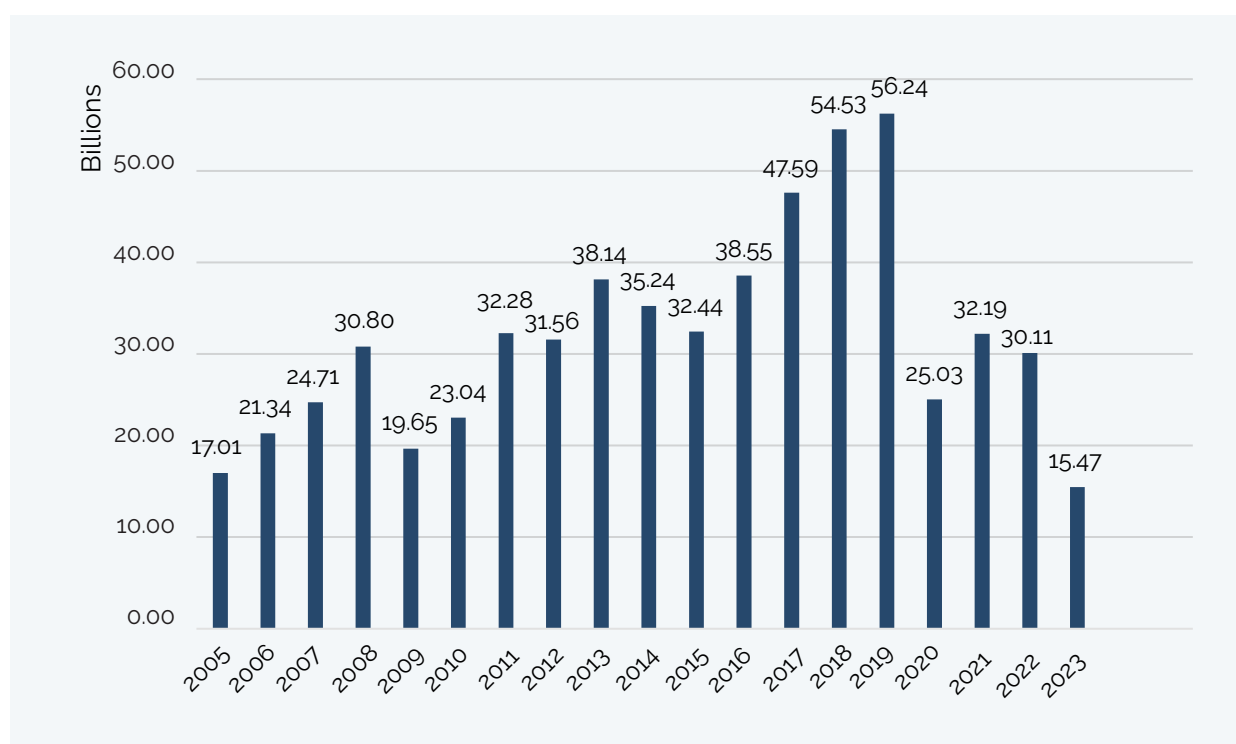
Figure 16: How UBE funds are disbursed



Source: UBEC (n.d.)

The UBE matching grant programme has played a significant role in supporting basic education in Nigeria since the first disbursement in 2005. By 2023, a cumulative total of N605.9 billion had been disbursed to States and the Federal Capital Territory (FCT). However, the programme has faced challenges in recent times. Previously characterised by a steady upward trend, grant disbursements witnessed a sharp decline of over 50% in 2020 (see Figure 17), coinciding with the COVID-19 pandemic. The decline continued into 2022 and 2023 where significant sums of N14.5 billion and N36.2 billion were left unallocated (UBEC, 2024b). Yearly unmet counterpart obligations have resulted in a backlog of N54.9 billion in unallocated funds within the UBE programme. The total size of the grant since its creation including grants disbursed and grants unallocated by the end of 2023 was N660.82 billion.

Figure 17: UBE matching grant allocated to States

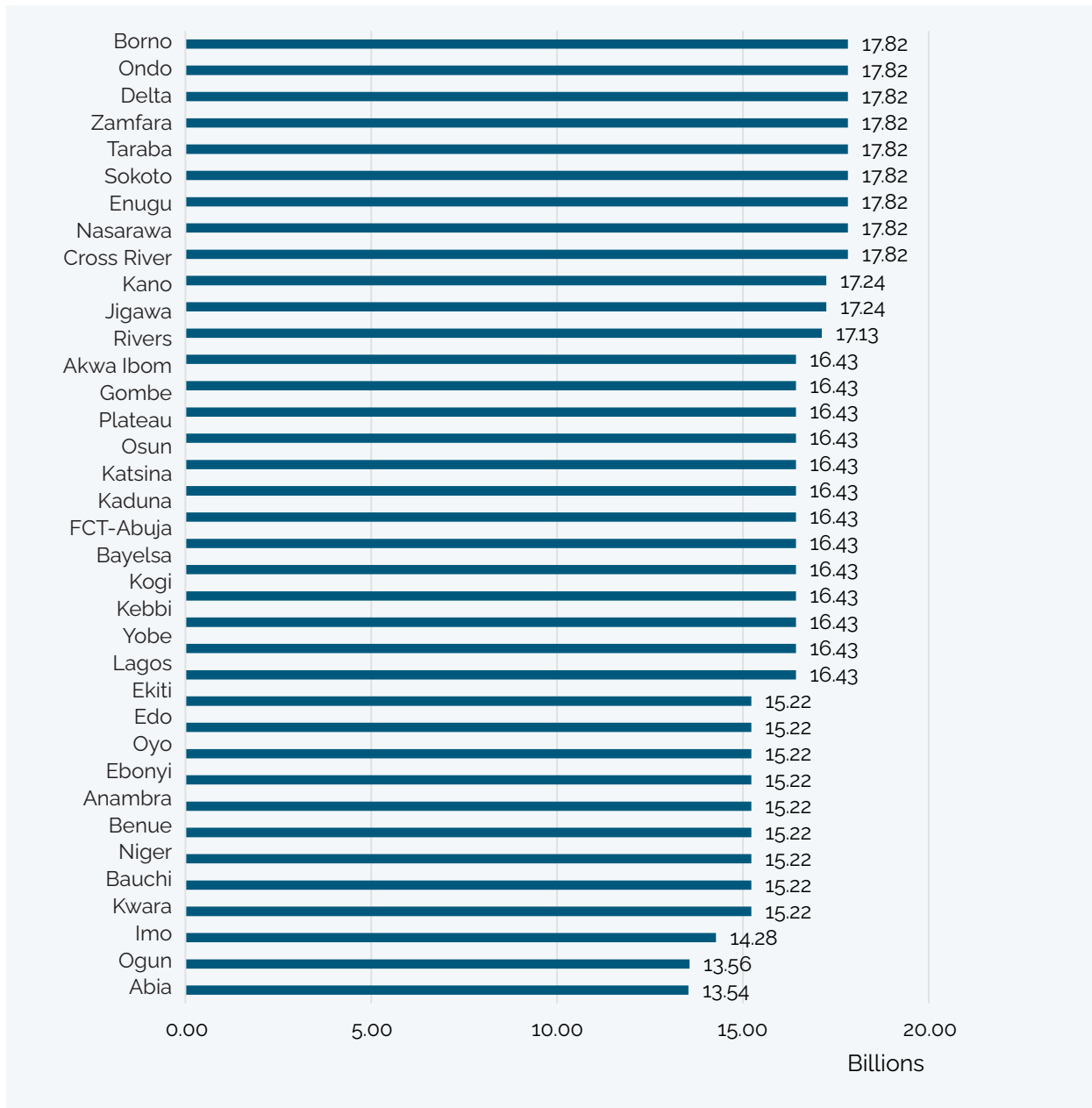


Source: UBEC, 2024a

As previously noted, the Nigerian constitution assigns primary education to local governments, but the reality of the UBEC matching grant system puts a heavy responsibility on States. UBEC, a federal body, provides essential funding for basic education, but only on the condition that States contribute a minimum of 50% counterpart funding. Since local governments often lack the financial and administrative capacity to fulfil the programme's requirements, primary education funding hinges on States meeting the UBE conditions. This effectively places some influence over primary education in the hands of State governments. Since the first

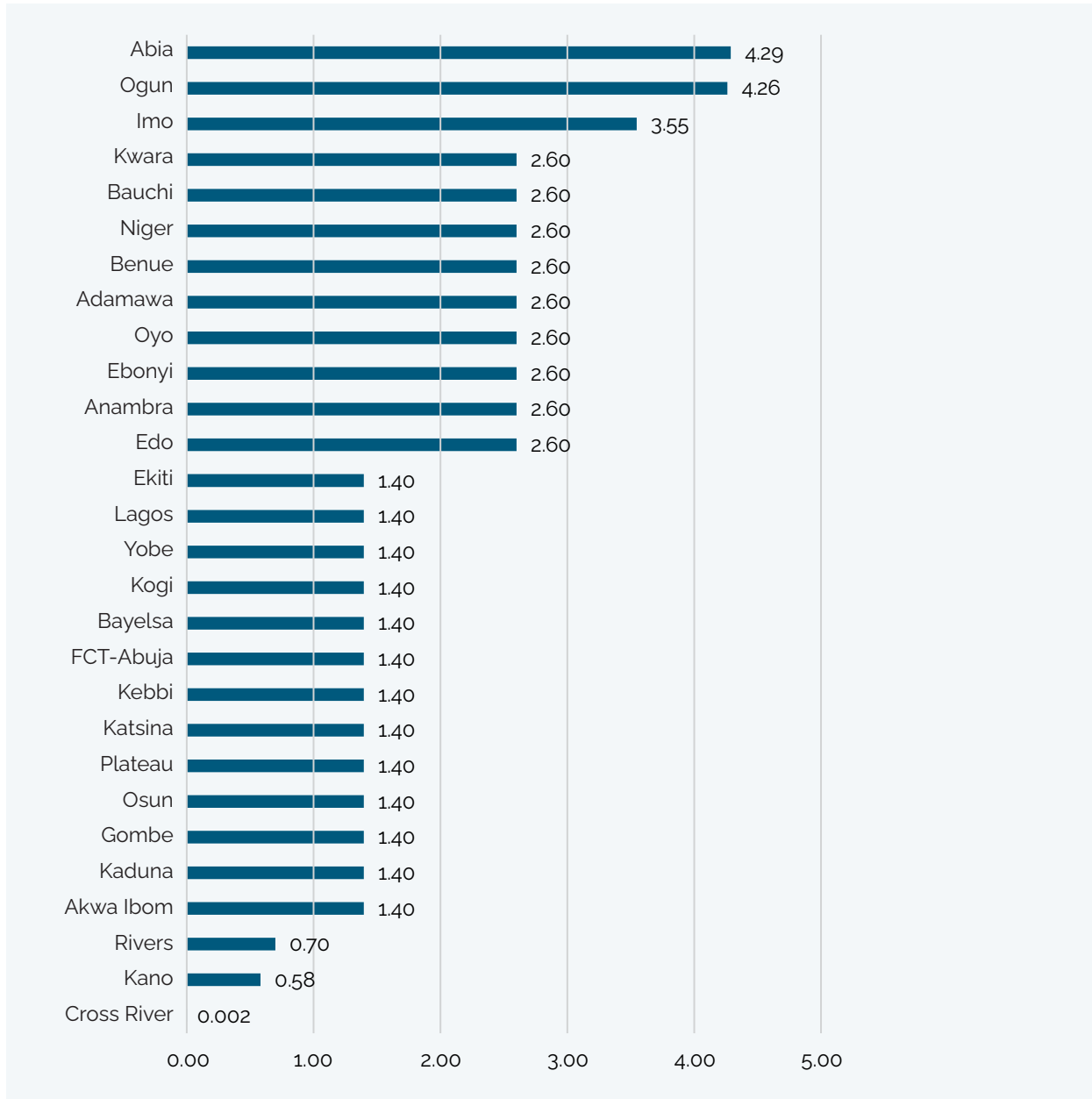
disbursement in 2005, only nine states have consistently met the annual requirements, securing the highest individual total grant amount of N17.8 billion (see Figure 18). Other States have billions yet unaccessed, including Abia and Ogun who have the largest individual sums of N4.3 billion left within the UBE programme (see Figure 19).

Figure 18: Total UBE grants accessed by States, 2005 – 23 (NGN, Billion)



Source: UBEC, 2024a

Figure 19: Unaccessed UBE Grants by States and the FCT (NGN, Billion)



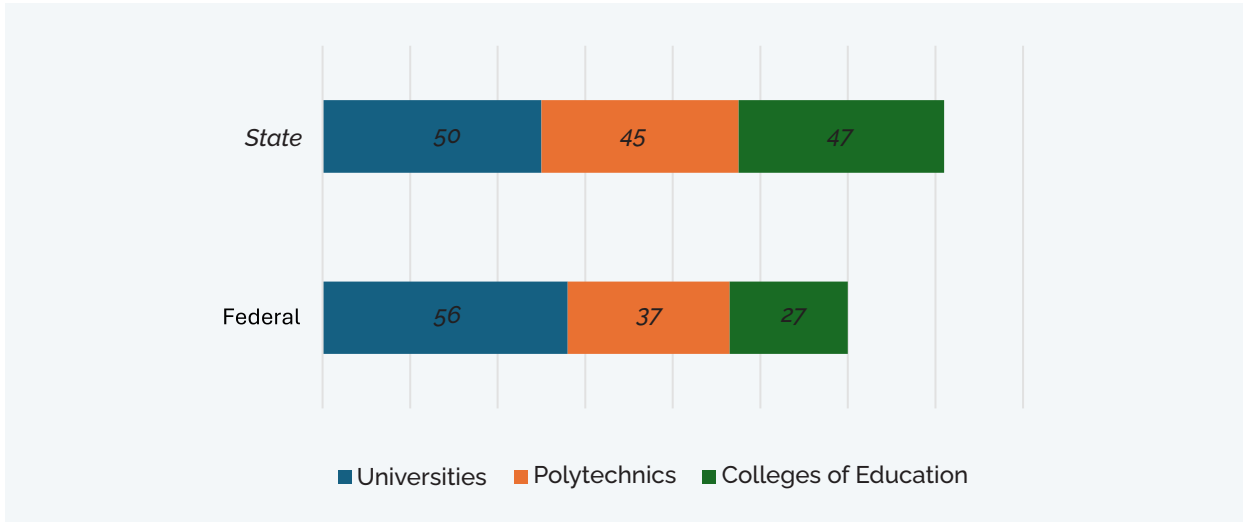
Source: UBEC, 2024a

### 3.3.2 Tertiary Education Trust Fund (TETFUND)

Established in 2011, 6 years after the UBE, TETFUND focuses on supporting the needs of public tertiary institutions (universities, polytechnics, and colleges of education) in the country. Its funding comes from a dedicated 2% Education Tax levied on the profits of companies registered in Nigeria. It is allocated to institutions based on specific criteria, targeting areas like infrastructure development, research initiatives, and staff training. TETFUND has at least 262 beneficiary institutions, out of which 142 are owned

by State governments (see Figure 20). In contrast to the UBE programme's formula-based funding, TETFUND operates a competitive grant system. Public institutions across the country submit funding proposals, and only those deemed most aligned with TETFUND's priorities and demonstrating exceptional merit through the review process are awarded grants.

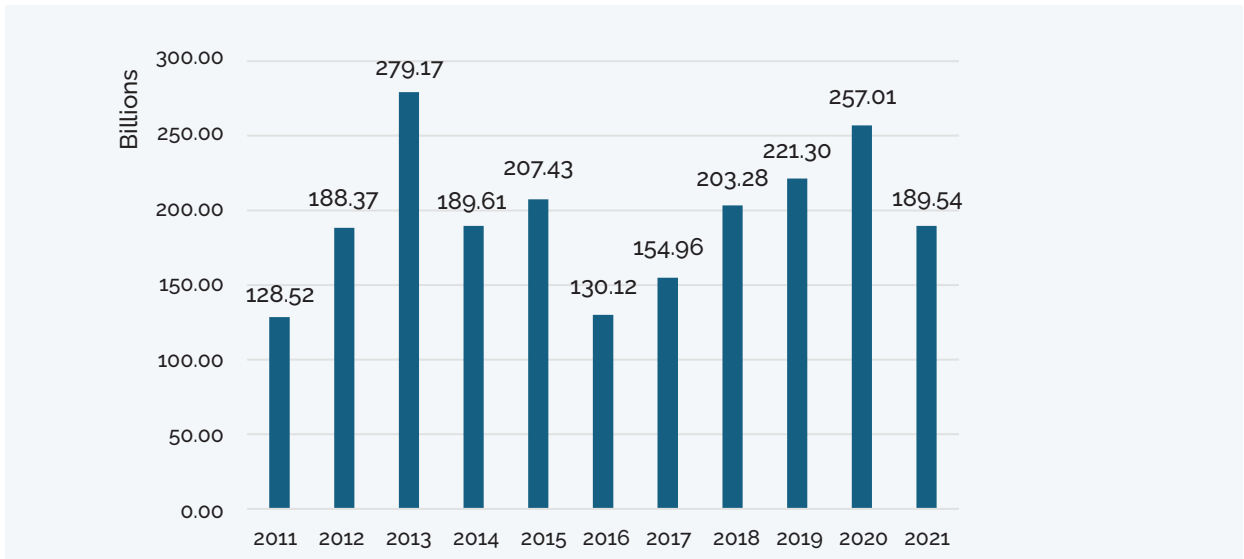
Figure 20: Beneficiary institutions of the TETFUND programme



Source: TETFUND (n.d.)

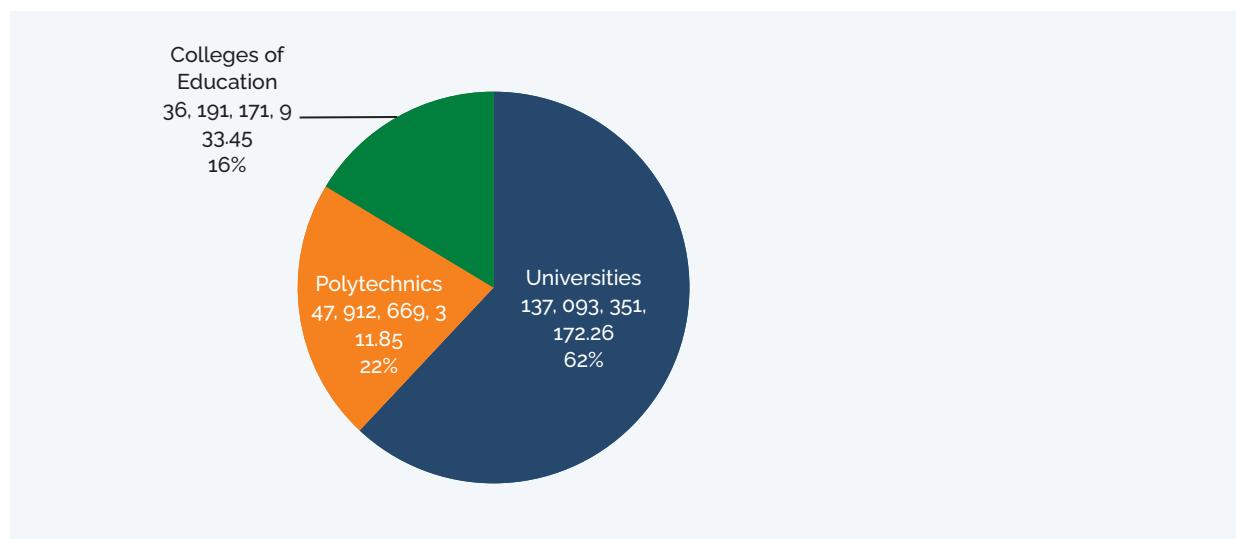
Between 2011 and 2021, TETFUND has received N2.15 trillion in education taxes (see Figure 21), surpassing the total UBE grant value by more than threefold. In 2021, TETFUND disbursed N221.2 billion to fund projects in public universities, polytechnics and colleges at the federal and State levels (see Figure 22) - 23% of the total actual education spending of State governments in the same year.

Figure 21: Education tax contribution to TETFUND, 2011-21



Source: TETFUND (2024)

Figure 22: Disbursements to public tertiary institutions, 2021



Source: TETFUND (2024)

The data from the two major funding mechanisms showed that TETFUND, funded by a dedicated 2% education tax, raised a significantly higher amount (N2.15 trillion) from 2011-2021 compared to UBE grants (N660.82 billion) from 2005 and 2023, funded from the Federal Government's CRF. This points to the potential effectiveness of ring-fencing education funding through a specific tax rather than as a share of government revenues. A dedicated tax has guaranteed a more predictable and consistent flow of funds for education, unlike relying on allocations from the CRF, which are subject to fluctuations and overall government revenue performance. Nevertheless, the report notes that tax revenues also depend on economic conditions. During economic downturns, tax revenues decline. Additionally, in considering the redistributive principle of taxation, the allocation of funds collected through tax needs to be carefully designed to ensure equitable distribution across different educational incomes, gender and location. The report does not measure how efficiently each fund is utilised or the impact on educational outcomes.

### 3.4 Safeguarding Resources

Like the general system of government administration, the sector combines internal controls, legislative oversight, and external scrutiny in education resource management. The general arrangement is as follows:

- Checks and Balances: National and State assemblies hold the power of the purse. Their education committees act as watchdogs, ensuring that allocated resources are effectively utilised.
- Internal Controls: The MoE's internal audit unit safeguards financial accountability.



They assess the effectiveness of internal controls and report to the chief accounting officer of the MDA and the Office of the Accountant General. In some States, such reports are sent to the Office of the Auditor General. State Commissioners for Education implement State-specific policies and oversee education affairs at the State level.

- **Quality Assurance:** Both federal and State levels have Education Quality Assurance Service (EQAS) departments that work to formulate policies, plan, and maintain national quality standards for education.
- **Additional Mechanisms:** Monitoring and evaluation units, procurement units, software tools for attendance tracking, dedicated State education accounts, annual audits, and project-specific oversight committees are also used to safeguard the allocation of resources in the sector.

Notwithstanding these safeguards, State officials reported that the system still lacks well-structured monitoring and evaluation (M&E) systems to track how allocated funds are utilised and whether they achieve set objectives. This makes it challenging to make a case for additional spending during the budget defence session. The role of non-governmental organisations (NGOs) was recognised as supplementary to the evaluation of educational programmes.

State budgets follow the process described in Figure 23. After the budget is approved by the State House of Assembly (ShoA), the Commissioner for Education submits requests in the form of memos to the Executive Council (ExCo) for specific allocations to education agencies. Recurrent expenses (overhead and salaries) are usually disbursed directly without explicit requests and approvals.

Figure 23: State Budget Process

S.N	Budget Activity	Responsibility
<b>Budget Planning and Preparation</b>		
1	Preparation of Sector Performance/ Review (previous year's Budget Performance Report)	Education Sector MDAs with support from the Ministry of Budget and Planning
2	Collection of spending, revenue and expenditure performance data - budgeted and actual, macroeconomic indicators etc. for the preparation of the Economic and Fiscal Update (EFU), Fiscal Strategy Paper (FSP) and the Budget Policy Statement (BPS) - EFU-FSP-BPS	Education Sector MDAs

3	Issue Budget Calendar	Ministry of Budget and Planning
4	Preparation of EFU-FSP-BPS	Ministry of Finance, Ministry of Budget and Planning, Office of the Accountant General, State Internal Revenue Service, and other relevant MDAs
5	Submit EFU-FSP-BPS draft to the Executive Council (ExCo)	Ministry of Finance, and Ministry of Budget and Planning
6	Exco's review of the EFU-FSP-BPS document	Executive Council
7	Submission of EFU-FSP-BPS document to, and approval by SHoA	State House of Assembly
8	Medium Term (3-year) sector ceilings circulated (indicative ceilings may be issued earlier)	Ministry of Budget and Planning
9	Develop/ Update Medium Term Sector Strategy	Education Sector MDAs/ Sector Teams
10	Issue Budget Call Circular	Ministry of Budget and Planning
11	Preparation and submission of 1st draft budgets by MDAs (incorporating updated MTSS budgets)	Education Sector MDAs/ Sector Teams/ Budget Department
12	Collation of MDAs 1st draft budgets	Ministry of Budget and Planning
13	MDAs Budget Defence/ negotiations	Education Sector MDAs/ Ministry of Budget and Planning
14	Revision of draft submission of budget estimates	Ministry of Budget and Planning
15	Consolidation of MDAs budget estimates	Ministry of Budget and Planning
<b>Budget Approval</b>		
16	Submission of draft budget estimates to ExCo	Ministry of Budget and Planning
17	Further revision and resubmission to the ExCo/Governor	Ministry of Budget and Planning
18	ExCo presentation of the budget proposal	Governor

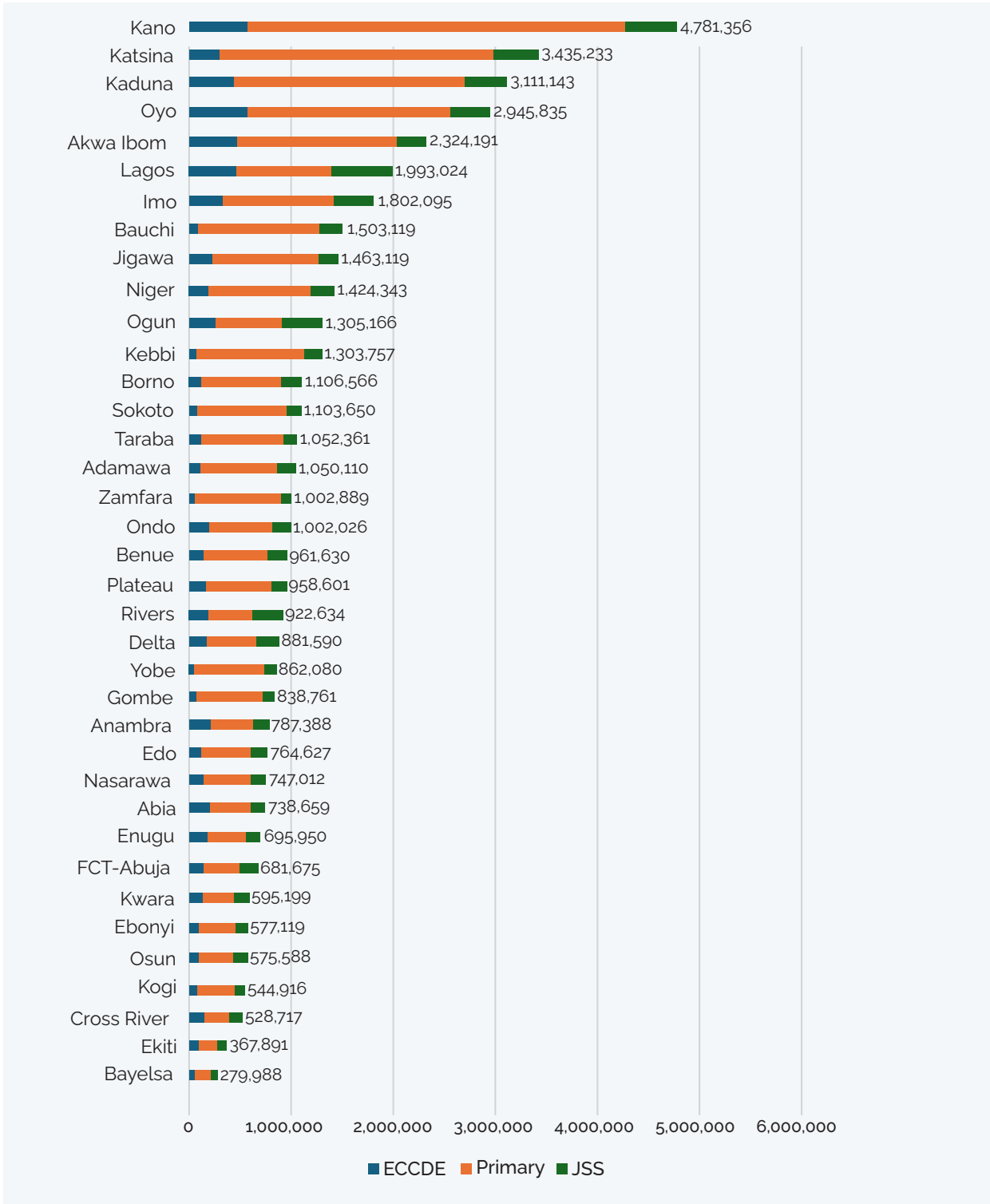
	to the State House of Assembly	
19	House of Assembly review and passage/Presentation for Governor's Assent	SHoA
20	Budget Sign-off by the Governor	Governor
21	Public presentation of the Approved Annual Budget	Commissioner of Budget and Planning, Commissioner of Finance, and other key PFM actors.
22	Publication of the Budget, including Citizens Budget, online	Ministry of Budget and Planning
<b>'Floating' Activities</b>		
A	Internal budget retreats, for example for budget planning and budget presentations	Various
B	External budget retreats, for example, stakeholder/ CSO engagement in Sector Reviews, EFU/FSP/BPS preparations, and MDA budget preparation.	Various

### 3.5 Outcome Analysis

Because State reports do not reflect the full scope of spending in the education sector, the report does not provide a comprehensive analysis of the outcome of government spending in the sector. The scope of this section focuses on selected outcomes at the ECCDE, primary, and JSS levels. While a wealth of national-level data exists, a notable gap lies in the absence of granular, school-level data, restricting an in-depth analysis.

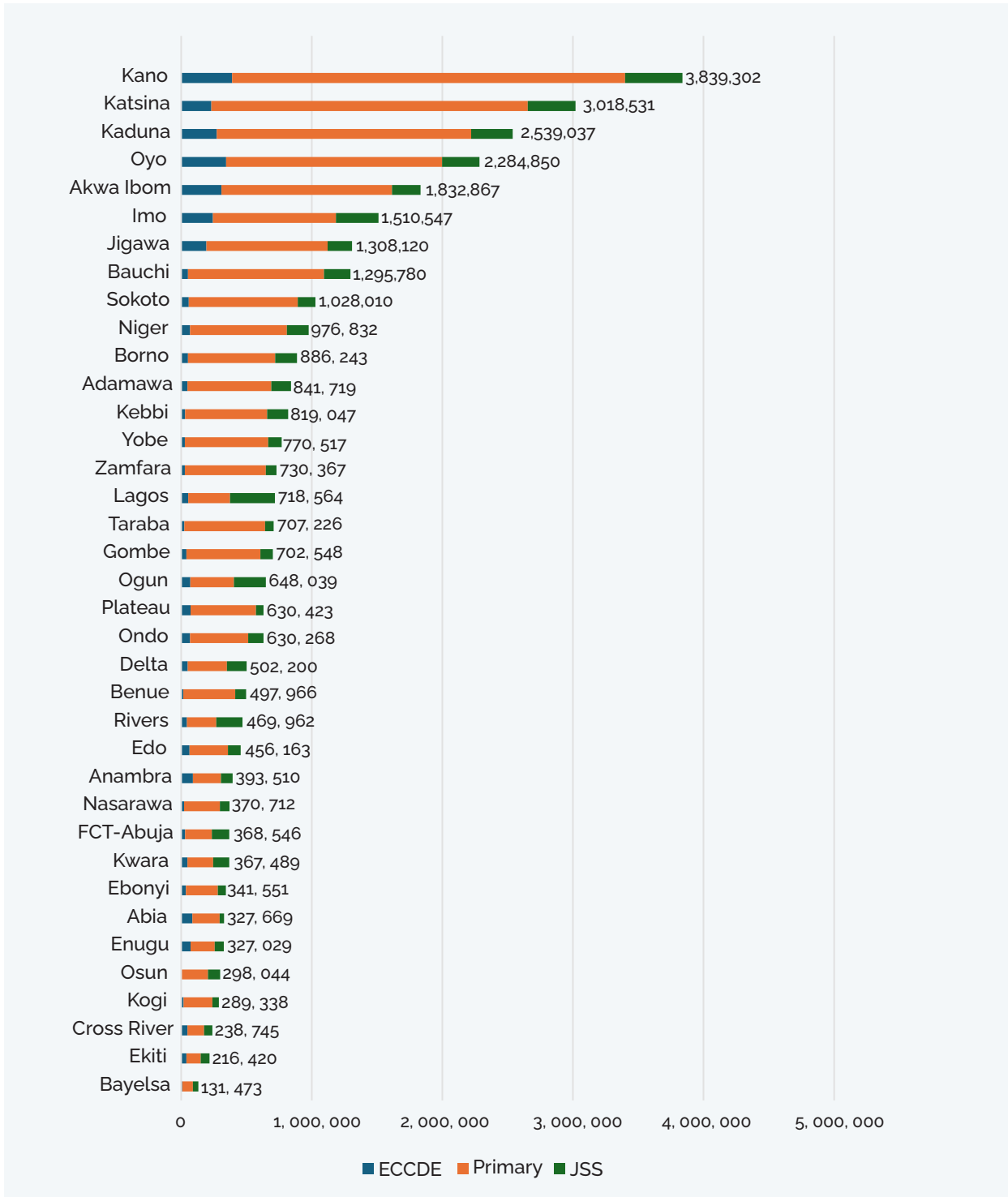
Enrolment: Data from the UBEC 2022 annual report reveals that there are 47 million students enrolled in ECCDE, primary, and JSS across the country. Enrolment rates stand at 38%, 91%, and 49% respectively for these levels. The largest share of enrollees is at the primary level (31.8 million). Kano State has the record of the highest enrolment (4.1 million), followed by Katsina (3.1 million), Kaduna (2.9 million) and Oyo (2.4 million). Conversely, Ekiti and Bayelsa have the lowest enrolments of 424,811 and 542,463 students respectively (see Figure 24). The public sector dominates (not in all States) with 71% of enrollees, while private institutions account for 29% (Figure 26)

Figure 24: Number of Enrolees in Public and Private Schools, 2022



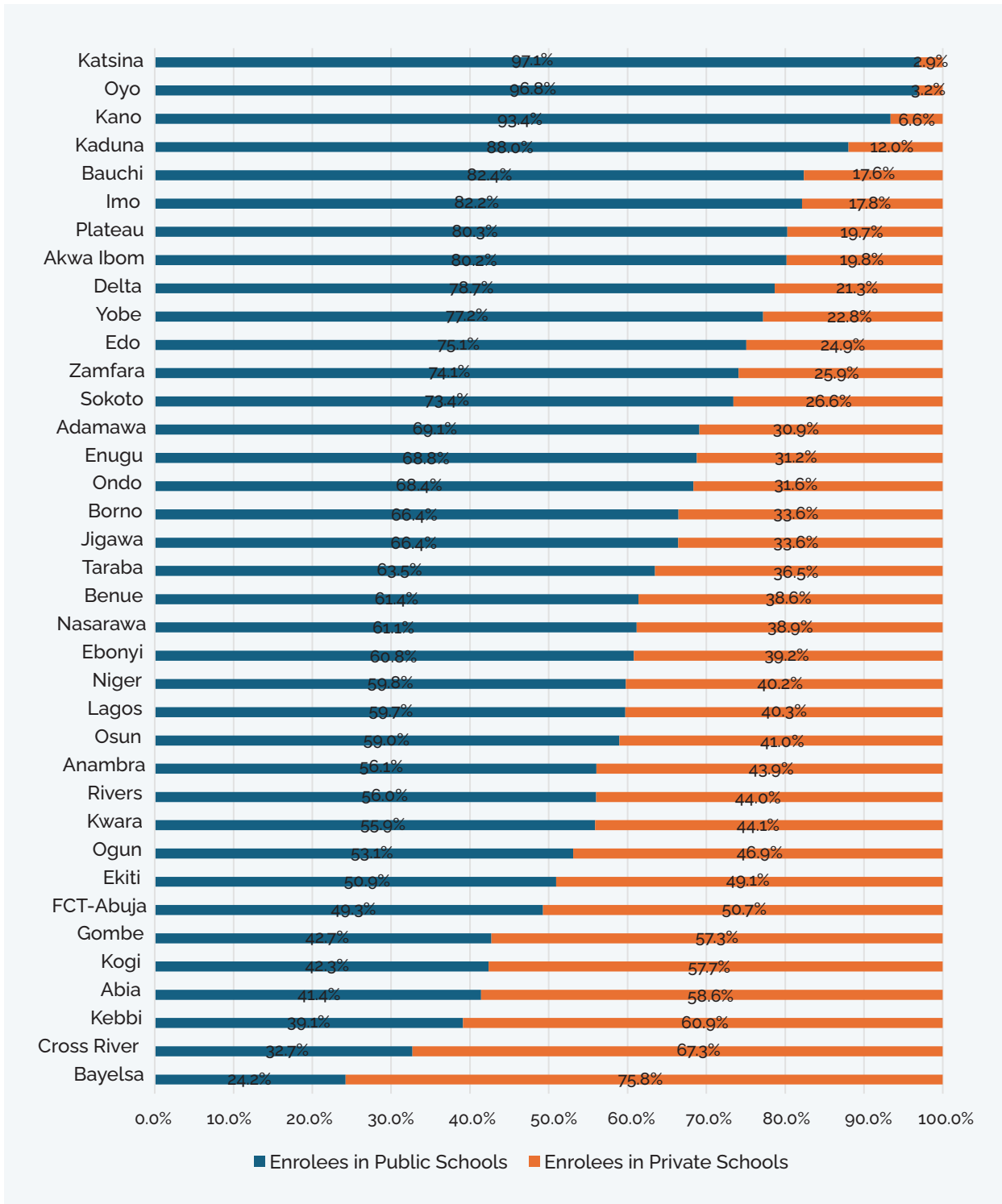
Source: UBE, 2024c

Figure 25: Number of Student Enrolees in Public Schools, 2022



Source: UBE, 2024c

Figure 26: Ratio of Enrolees in ECCDE, Primary and Junior Secondary Schools, 2022

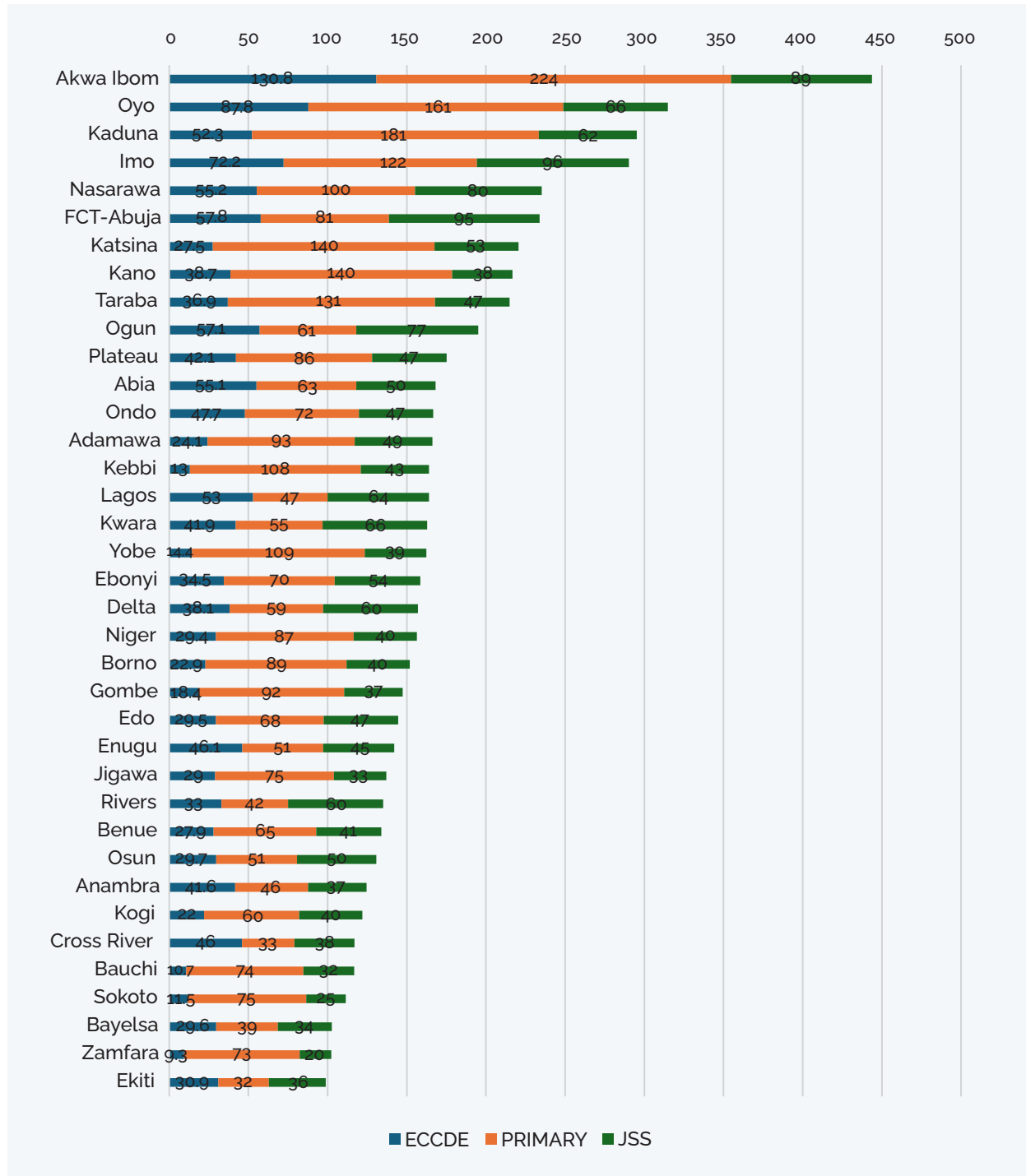


Source: UBE, 2024c

## Education Sector Expenditure and Institutional Review

Data on gross enrolment rate (GER) which measures the total enrolment in a specific educational level, regardless of age, is mixed. States with the highest GER are Akwa Ibom, Oyo, Kaduna, and Imo (see Figure 27)

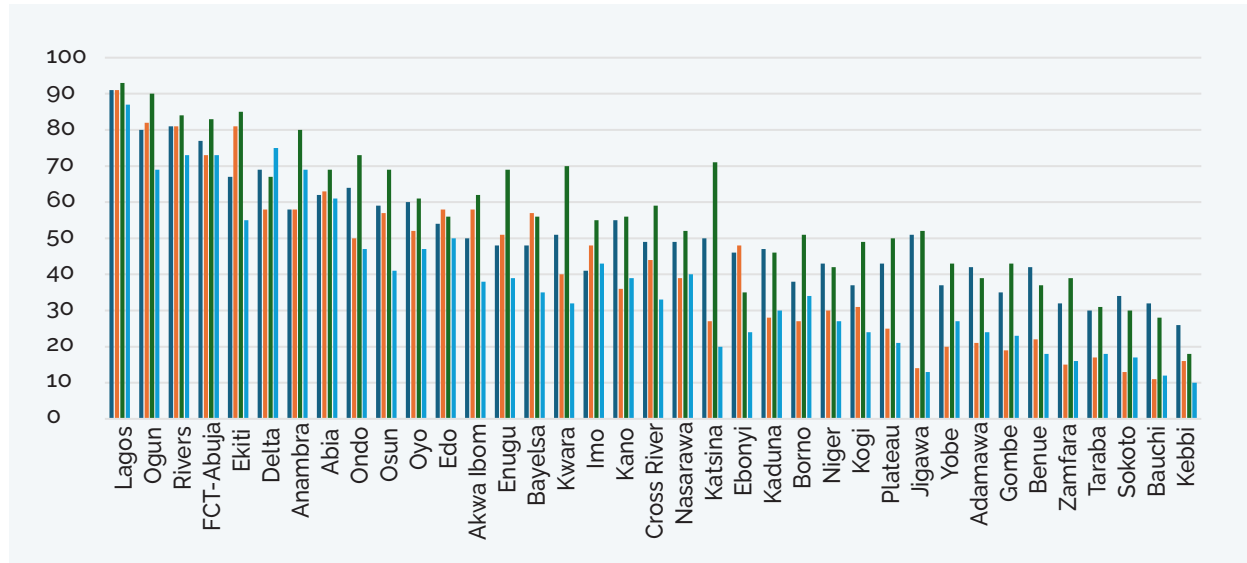
Figure 27: Gross Enrolment Rate, 2022



Source: UBE, 2024c

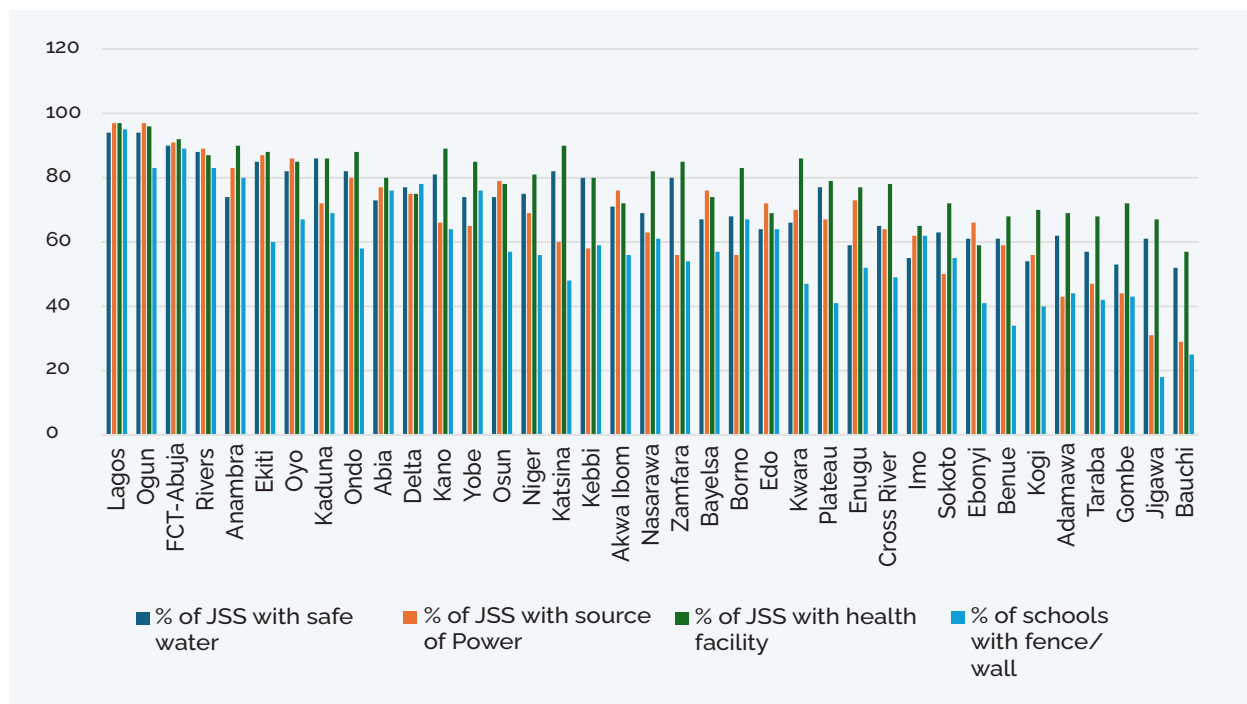
Infrastructure and Quality: Lagos, Ogun, Rivers, and FCT-Abuja lead in terms of school infrastructure (see Figures 28 and 29), correlating with their high education spending. However, the pupil-teacher ratio, a key education quality indicator, is higher in FCT-Abuja, Ekiti, and Lagos, suggesting a need for further investment in teacher recruitment and development (See Figure 30). Ekiti demonstrates lower dropout rates, indicating better student retention (Figure 31).

Figure 28: State of Infrastructure in ECCDE Schools, 2022



Source: UBE, 2024c

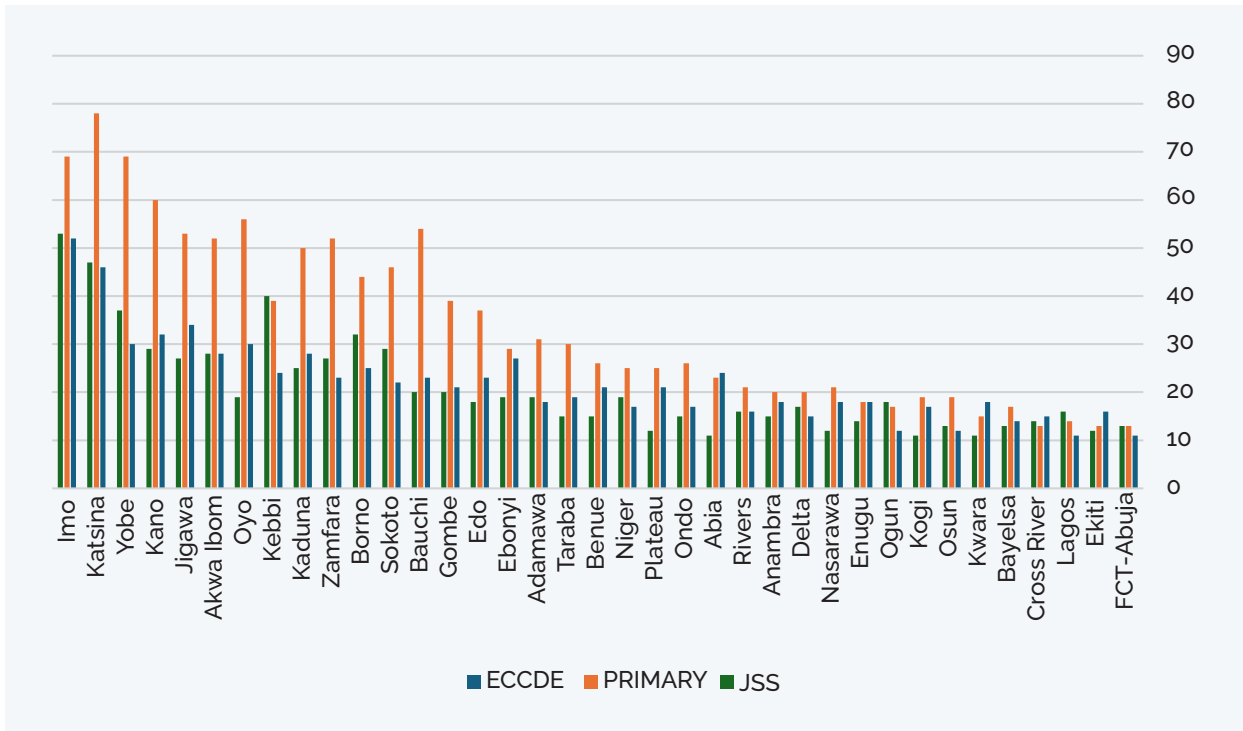
Figure 29: State of Infrastructure at JSS level, 2022



Source: UBE, 2024c

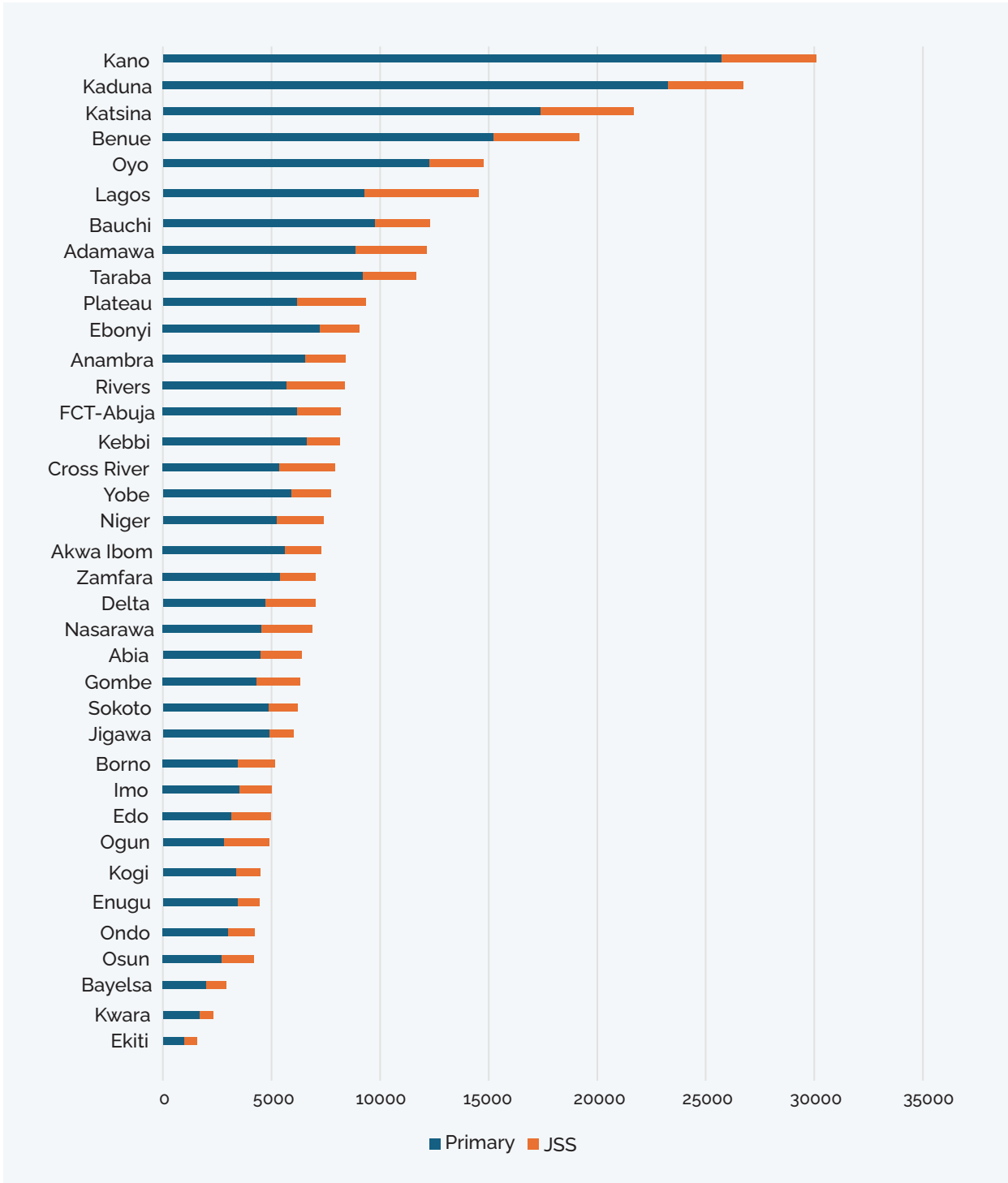


Figure 30: Public-Teacher Ratio, 2022



Source: UBE, 2024c

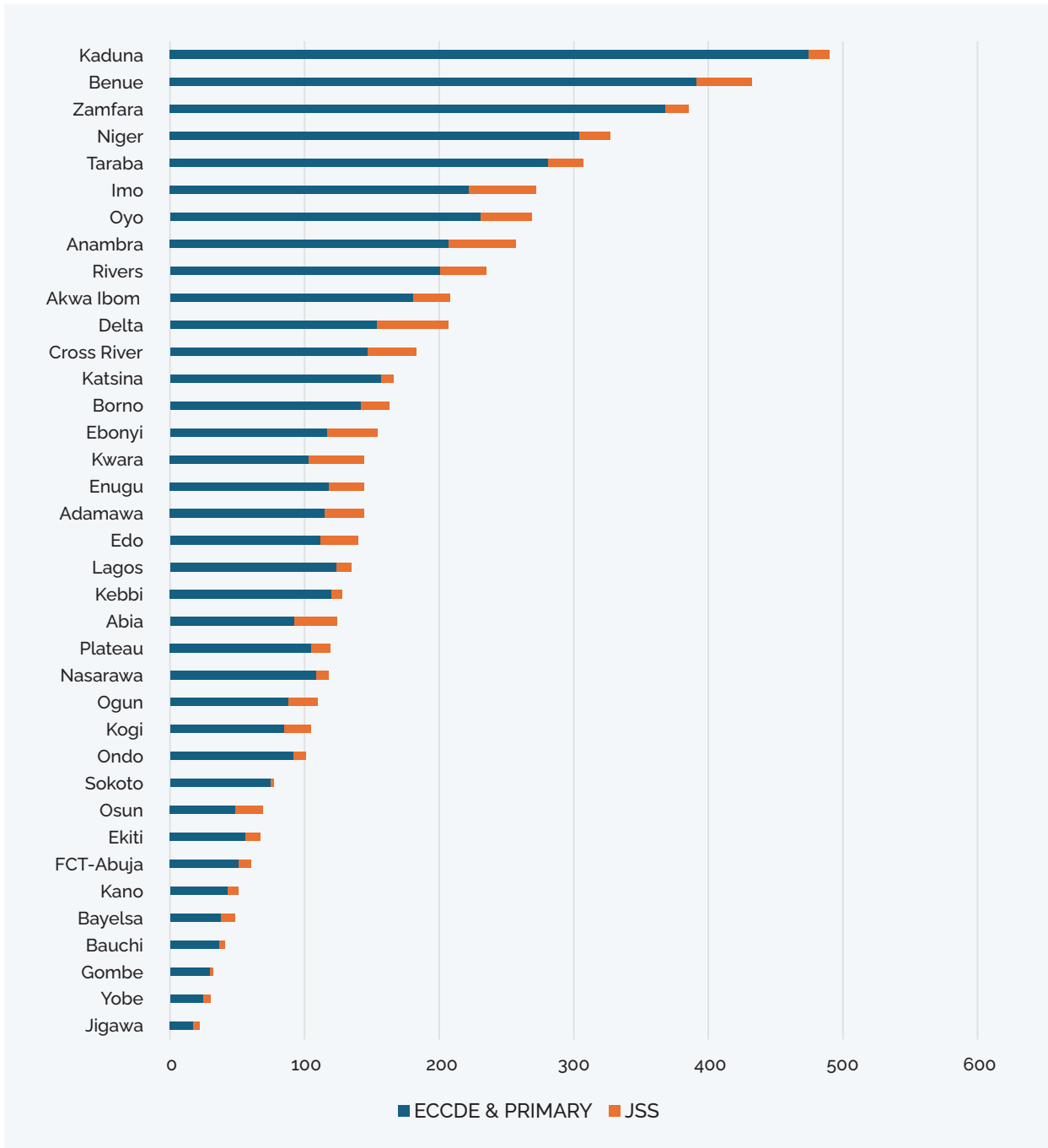
Figure 31: Enrollee Dropouts, 2022



Source: UBE, 2024c

School Safety: The data also highlights the vulnerability of the education sector to security threats, with pre-primary and primary schools being the most affected. States like Kaduna, Benue, Zamfara and Niger have recorded the most attacks on educational facilities. (Figure 32).

Figure 32: Schools that suffered attacks, 2022



Source: UBE, 2024c

## 4. Key Recommendations

This final section suggests key actions for State governments in response to the challenges highlighted in this report. These recommendations aim to guide policy decisions and resource allocation, for a more equitable, efficient, and effective education system covering all States of the federation. While some of these actions can be implemented independently by State governments, others will require increased collaboration with the federal government, development partners, and the private sector.

State governments in Nigeria have recorded a gradual increase in education expenditure over the past few years. In 2022, N1 trillion was spent in the sector, representing 12% of their total expenditure, a 2.8% growth from the previous year. Although the sector's budget performance is relatively higher than other social sectors, the actual release of funds to the State Ministries of Education and other education agencies still falls short of budgeted amounts, with historical release rates averaging 70%. Disparities in education spending across States are also creating a multitiered system, where the access and quality of education received are based on where people live. Lagos leads with a substantial allocation of N94.3 billion, followed by Rivers, Kaduna, Delta, Jigawa and Kano. These results highlight the uneven distribution of education resources across the country and underscore the need for a more efficient and equitable allocation strategy.

1. **Efficiency in Resource Allocation:** In the context of the lack of full budget implementation, one of the basic response of State governments is to close the education budget-release gap which is cumulatively N500 billion for all 36 States. While the current 12% allocation to education is relatively high compared to other sectors (the share for health is 7% and 2% for agriculture), it remains insufficient to tackle complex challenges today, including the high incidence of Out-of-School Children (OOSC), inter-State migration and the demands of the fast-growing population of persons within the school age. Additional funding is crucial for school construction and the provision of basic amenities in schools, teacher recruitment and development, special needs education, educational technology and monitoring, evaluation, and research.
2. **Achieving policy-based allocation.** The lack of a clear spending-outcome linkage demonstrates the importance of an MTSS which helps guarantee policy-based allocation of resources. To ensure comprehensive coverage of all

education sector expenditures, the budget ministries need to expand the scope of the General-Purpose Financial Statement (GPFS) to include a comprehensive programme, function, and location segment for all statutory financial reports. A comprehensive GPFS, combined with reporting of primary education spending in the financial reports of local governments will ensure greater transparency in education sector spending.

3. **Equity and Equality in Education Opportunities for All:** Achieving a common standard of education across Nigeria is still a concern. The federal government, through the Federal Inspectorate Services (FIS), plays a vital role by setting standards and conducting inspections, while the UBE and TETFUND intervention programmes were introduced to close the funding gap at the primary and tertiary levels. However, this has not been sufficient to close the disparities in educational outcomes across the country. Wicked challenges such as insecurity (including school attacks), high inter-State migration, and the apathy of teachers to teach in rural and underserved areas call for the expansion of these programmes to provide greater incentives for teachers and students in these areas.
4. **Data-Driven Decision Making:** Achieving these objectives requires enhanced and integrated data collection systems for all school facilities to identify disparities and real-time data collection, reporting and use. Establishing robust monitoring and evaluation systems to track the impact of education spending will also help hold institutions accountable for education outcomes.
5. **Local Education Governance:** Local governments are at the frontlines of primary education, and they can directly influence community-level participation in education which is important for family school participation and support. Enhancing their capacity to manage education resources effectively by equipping them with public financial management skills will ensure equitable use of funds within their jurisdictions. This also requires federal-State-local government peer learning and exchange of information.
6. **Strengthening Monitoring and Evaluation Systems:** The report suggests a two-pronged approach to strengthen M&E in the sector. Firstly, strengthen M&E operations including standardised M&E frameworks across all education institutions with clear objectives, indicators, data collection methods, and reporting processes for each school. Secondly, build capacity to prioritise activities based on impact and outcomes, such as capacity-building programmes for education professionals and decision-makers on M&E principles, data analysis, and cost-effectiveness assessments for outcome-based planning and data-driven decision-making.

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