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Education Financing Brief

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Ghana and the SDG 4 agenda

In 2015, Ghana committed to the Sustainable Development Goals (SDG) which includes Goal 4, aimed at “ensuring inclusive and equitable quality education and promote lifelong learning opportunities for all”. All ten (10) education targets under Goal 4, seeks to ensure “all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes by 2030”. This cannot materialize without adequate and equitable financing of basic and second cycle education.

The Education 2030 Framework for Action recommends that governments allocate 4 to 6 per cent of their Gross Domestic Product (GDP) and/or at least 15 to 20 per cent of their total public expenditure to education, with a focus on basic education¹. Like most African countries, Ghana has been meeting these international benchmarks averaging 23 per cent national budget allocation to education between from 2011 to 2019 and 5.8 per cent of GDP allocated to education within the same period².

In 2020, the COVID-19 pandemic caused significant fiscal disruptions and negative growth to Ghana's economy. This led to increased borrowing from the capital market to finance revenue shortfalls in the budget, including education. Prior to COVID-19, Ghana's economy relied heavily on borrowing through bonds, especially from the Eurobond market for budgetary financing. A rising unsustainable public debt which stood at GHC 393.4 billion (approximately 78.3 per cent of GDP) in June 2022³ has driven Ghana to the IMF for a bailout.

By September 2022, Ghana's fiscal situation had severely dented its rating on the international financial market to a record low of CCC⁴, denying Ghana any reasonable access to major bond markets it previously relied on for budgetary financing, including education. This does not only have implications for development financing, including education, but more than ever, makes a strong case for spending efficiency in education.

1. Education 2030 Framework for Action

2. Author's computation from various reports by the Ministry of Education

3. Bank Of Ghana: Monetary Policy Committee (MPC) press briefing. August 2022

4. Fitch Downgrades Ghana to 'CCC' (www.fitchratings.com). Retrieved 10th August 2022

Declining growth in education expenditure



Ghana's highest total education expenditure allocation in recent times occurred in 2012, when 27 per cent of total government expenditure went into education, the equivalent of 8 per cent GDP. Basic education received 47.5 per cent, with a significant chunk financing the construction of basic schools to replace existing ones under trees. Since then, education expenditure allocations have remained below 24 per cent.

Prior to COVID-19, education sector's share of public expenditure increased from 21 per cent (2017) to 23.9 per cent (2018) before declining marginally to 23 per cent in 2019. Nominal education expenditure increased by 67.49 per cent - from GHC 10.5 billion to GHC 17.6 billion between 2017 and 2020.

The contraction in the Ghanaian economy due to COVID-19 and its impact on GDP growth is negatively affecting government's spending on education. In 2020, even though Ghana exceeded the international benchmark of 15-20 per cent public expenditure allocation to education, for the first time in over a decade, education expenditure as a percent of total government expenditure declined from 23 per cent in 2019 to 17.6 per cent in 2020.

The drop in education's share of total government expenditure in 2020 was expected, as most critical expenditure lines were not incurred as a result of the closure of schools for 9 months due to the COVID-19 pandemic. In addition, most of the expenditure incurred for the re-opening of schools after the easing of the COVID-19 restrictions did not come through the education budget.

In spite of the slow growth in education expenditure, Ghana remains one of the five African countries where education spending has not reduced from pre-COVID-19 levels⁵. Currently, two-third of low- and lower-middle-income countries and one-third of upper-middle and high-income countries have reduced their public spending on education since the onset of COVID-19⁶.

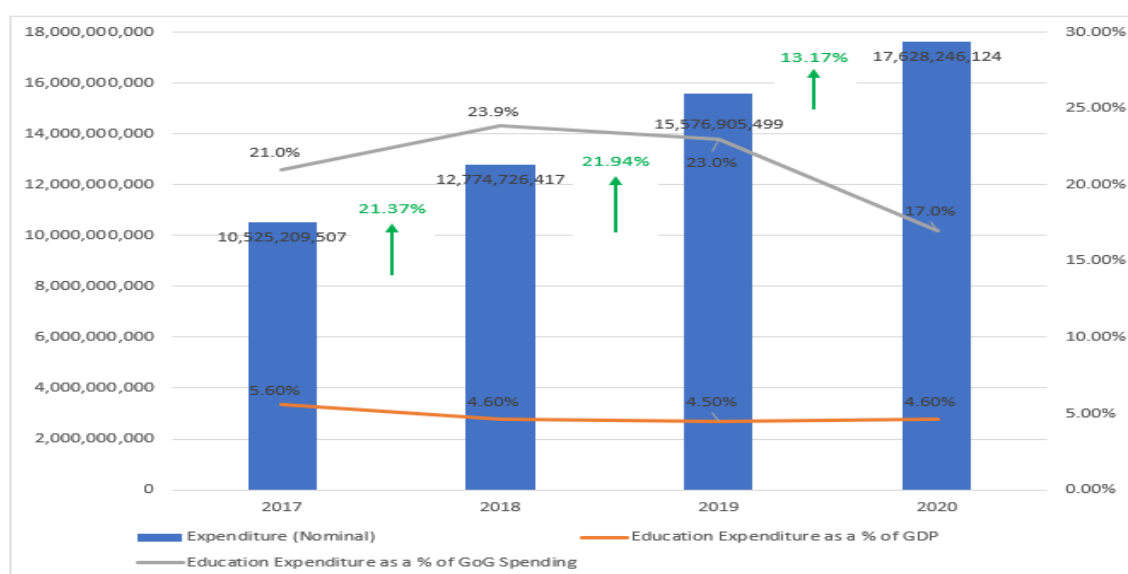
5. UNICEF. 2021. Analysis of education spending in the West and Central Africa region: A Policy Brief for Ministers of Education and Finance

6. World Bank, 2021. Retrieve: <https://www.worldbank.org/en/news/press-release/2021/02/22/two-thirds-of-poorer-countries-are-cutting-education-budgets-due-to-covid-19>

Ghana's education spending and GDP

Per figure 1, between 2017 and 2020, the average education expenditure as a percentage of GDP was 4.8 per cent, which is within the recommended international benchmark. Regardless, since 2017, a negative trend has been observed in the percentage of GDP spent on education. From 2017 to 2020, the education expenditure as a percentage of GDP declined by 1 per cent (from 5.6% to 4.6%). Ghana's GDP more than doubled from GHC 180 billion in 2015 to GHC 391 billion in 2020⁷. Impliedly, although the economy had been expanding, funding to education was inconsistent with GDP growth.

Figure 1: Education expenditure in nominal value, as a percentage to GDP and total government expenditure (2017-2020)



Source: Eduwatch computations from MoE reports.

In the last years towards the Millennium Development Goals finish line, prior to the adoption of the SDGs in 2015, there were heightened calls for increased education financing to ensure targets on universal primary enrolment and completion were met and sustained. By 2012, Ghana's education expenditure relative to total government spending and GDP reached an all-time high of 27.2 per cent and 8 per cent respectively. It is, therefore, worrying that, halfway through the SDGs, Ghana is instead drawing further away from its 2012 record. While the decreasing trend is due to competing financial demands from other sectors of the economy, the need to prioritize social sector spending, especially education, is undisputed.

7. Ministry of Finance. Press Release on Ghana's Overall 2021 Real GDP Growth : 26th April, 2022.



Infrastructure financing – GETFund

The Ghana Education Trust Fund (GETFund) is the main source of financing education infrastructure in Ghana. Established by the GETFund Act of 2000 (Act 581), accruals to the Fund are from 2.5 per cent of the Value Added Tax collected by the Ghana Revenue Authority and loans.

In 2017, Ghana's Parliament passed the Earmarked Funds Capping and Realignment Act to free up public funds in the Ministries, Departments and Agencies (MDAs) for other uses. The Act provides that the earmarked funds for each financial year should be equivalent to 25 per cent of revenue, a move which has reduced GETFund inflows.

In 2018, GETFund was partially securitized for 10 years, to secure a US\$ 1.5 billion-cedi equivalent loan/bond in three (3) tranches (cedi equivalent of \$500 million each) for financing education infrastructure. The major expected outcome of the loan was to expand Senior High School (SHS) infrastructure and end the double track system under the free SHS programme⁸.

After disbursing GHC 1.56 billion through a syndicated loan, the remaining GHC 5.5 billion is being financed through the Daakye Bond, a 5-10 year fixed-term bond with a coupon rate of about 20 per cent. By end of 2021, a total of GHC 4 billion had been raised through the defunct syndicated loan and the Daakye Bond programme with the remaining GHC 3 billion to be issued in subsequent years. In 2022, GHC 1.1 billion is earmarked for issuing. However, due to the dwindling investor confidence, less than 15 per cent had been issued by end of September 2022.

8. Report of the Finance Committee on the Request for the Utilization of a Portion of GETFund's revenues for the debt service of a medium-term loan facility. November, 2018. Parliament of Ghana.

Delayed release of GETFund

There are major challenges with the timely release of GETFund, creating a gap between allocation and actual release, thereby raising cost efficiency concerns. Table 1 indicates that between 2018 and 2021, the highest percentage of GETFund released within the financial year of allocation was 64 per cent in 2020, with the lowest being 44 per cent in 2018. By end of year 2021, only 47 per cent of the Fund was released for financing infrastructure and other related education expenditure. The delayed release of GETFund has serious implications for cost efficiency in education infrastructure financing.

Table 1: Analysis of GETFund allocation versus end of year releases (2017-2021)

Year	Allocation (GHC)	Amount released by end of year (GHC)	Amount released (%)
2018	924,804,543.00	404,719,572.00	44%
2019	1,206,764,000.00	557,972,536.00	49%
2020	1,228,038,448.00	695,470,000.00	64%
2021	1,442,796,000.00	676,093,202.00	47%

Source: GETFund Allocation Formula, Parliament of Ghana.

The construction sector is the major recipient of GETFund. The funds are used to construct education infrastructure at all levels of Ghana's education system. With high construction sector inflation, delays in release of funds affects the cost of projects. According to the Auditor-General, because of the delayed release of GETFund for between 24 and 132 months, projects originally contracted to cost GHC 6.4 million at the Koforidua Technical University ended up costing GETFund GH 27.3 million upon completion. The additional cost build-up of GHC 21 million arising from the delayed disbursement is a classic case of how delayed release of GETFund negatively affects spending efficiency.

GETFund and inequitable allocation of education financing

The equitable allocation of financial resources in the education sector is critical to achieving a coherent and balanced growth. There are about 6 million students in public basic schools and 1.2 million in secondary with some 500,000 in tertiary institutions. Basic education has the highest infrastructure gap with over 5,000 schools existing under trees, sheds and dilapidated structures and 4,000 primary schools without JHS, causing a high drop-out rate of up to 28 per cent in underserved regions like the Northern Region (CDD, 2022).

However, basic education continues to receive a small share of GETFund disbursement. In 2021, only 7.3 per cent of GETFund's discretionary expenditure was spent on basic education, compared to 28.8 per cent for secondary and 38.2 per cent for tertiary, as shown in Table 2.

Table 2: GETFund discretionary disbursement 2021

Sectoral allocations			
Sector	Allocation	Disbursement	% share of disbursement
Tertiary Education	175,437,000.00	133,847,593.07	38.2%
Second Cycle Education	74,000,000.00	100,838,510.19	28.8%
Basic Education	66,237,000.00	25,106,614.61	7.3%
Others	261,106,000.00	90,207,282.24	25.7%
Total	576,780,000	350,000,359	100%

Source: GETFund Allocation Formula, Parliament of Ghana.

GETFund and inequitable financing of infrastructure

An analysis of the distribution of GETFund's investments (both the regular Fund and the bond proceeds) into infrastructure for 2022 also reveals a low prioritization of basic education to the benefit of secondary education and tertiary.

This is partly due to the introduction of free SHS as a flagship government policy and political promise. The policy has led to increased enrolment from about 813,000 in 2016/17 to 1.2 million by 2020, putting severe fiscal pressures on government to expand secondary school infrastructure to accommodate the growing numbers.

The wholesale provision of free feeding, school uniforms, and Teaching and Learning Resources for all SHS students places enormous financial strain on government, causing inequitable allocations of the GETFund to secondary education.

Table 3: Total GETFund allocation for infrastructure (2022)

Level	Usual GETFund	Bond	Total	%
SHS	303,092,000	326,274,051	629,366,051	44%
Tertiary	360,000,000	215,000,000	575,000,000	40%
Basic	201,000,000	35,000,000	236,000,000	16%
TOTAL	864,092,000	576,274,051	1,440,366,051	100%

Source: GETFund Allocation Formula, Parliament of Ghana.

Per Table 3, out of a total GHC 1.4 billion allocated for infrastructure, only 16 per cent was allocated to basic education, with the highest (44%) going to secondary education and tertiary education (40%). The equitable apportioning of GETFund receivables is critical for a balanced growth of basic, secondary, and tertiary education in Ghana. In line with the Education 2030 Framework for Action, and the huge basic school infrastructure gap, it is important for the Ministry of Education (MoE) to reposition GETFund to prioritise basic school infrastructure.



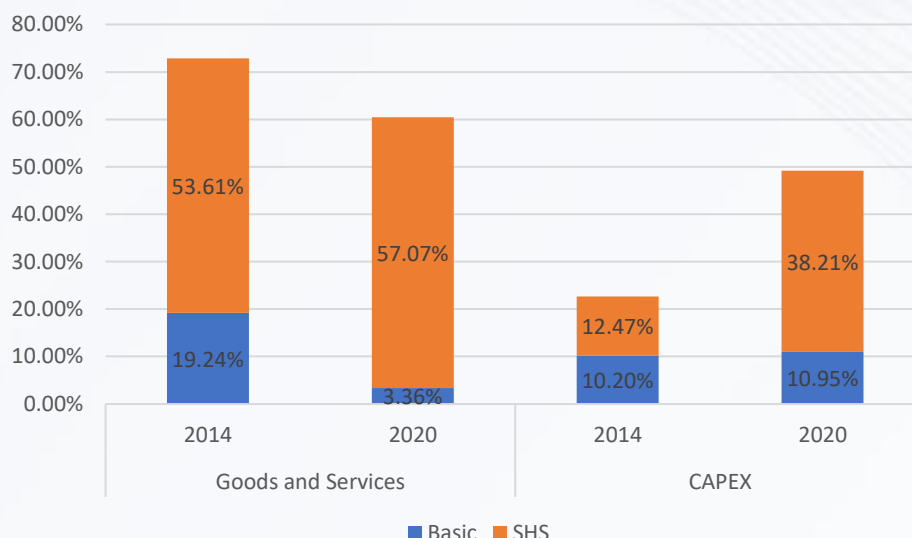
Implications of financing trends on basic and secondary Education

The Education 2030 Framework for Action does not only prescribe 15-20 per cent public expenditure allocation, and 4-5 per cent equivalent GDP investment in education annually, but also recommends priority to be given to basic education. At the continental level, there is a drive towards free secondary education, especially in countries with sustained reasonable access to basic education. Access to relevant secondary education is seen as critical to human capital development and a solution to the youth unemployment debacle facing the continent's youthful population. The balance between prioritized financing of basic versus secondary education is critical for holistic attainment of SDG 4 targets by 2030.

Secondary education financing trends

Ghana commenced preparations for free secondary education as far back as 2014 with investments in community day secondary education infrastructure. Since then, secondary education's share of education expenditure increased beyond 20 per cent for the first time, reaching 21.7 per cent in 2014 to 24 per cent in 2015 and a medium term high of 27 per cent in 2016. By 2020, four (4) years after the introduction of the free SHS programme, secondary education's share of total education expenditure stood at 24.2 per cent, indicating a marginal decline. In nominal terms however, as a result of the introduction of the free SHS programme, secondary education expenditure increased from GHC 2.4 billion in 2016 to 4.2 billion in 2020.

Figure 2: Discretionary education expenditure between Basic and Secondary education levels (2014 & 2020)



Source: Eduwatch computations from MoE reports.

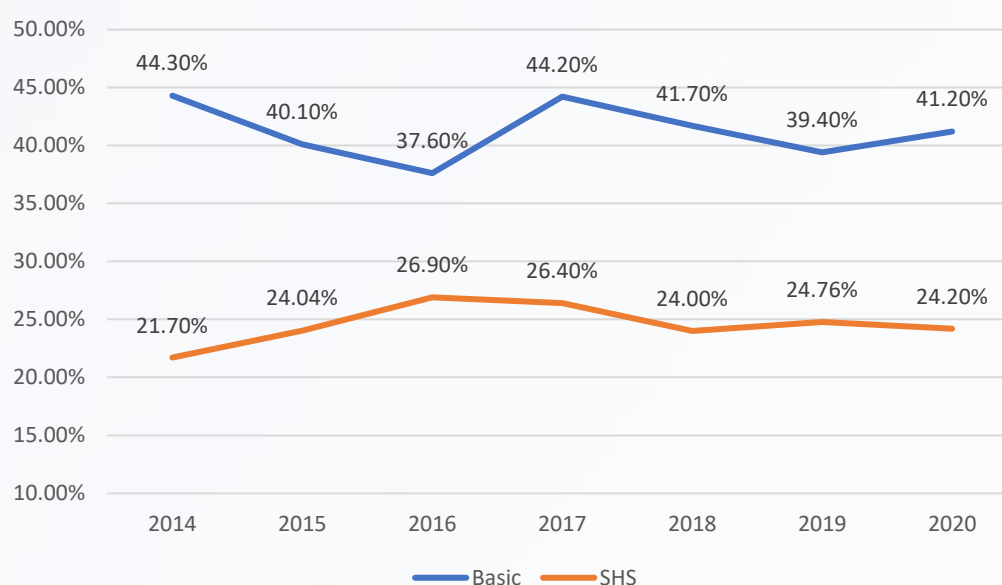
Ghana's education expenditure comprises discretionary and non-discretionary categories. While the non-discretionary constitutes compensation (salaries of staff), the discretionary expenditure comprises Goods and Services and Capital Expenditure (CAPEX). Goods and Services constitutes the cost of educational inputs; including Teaching and Learning Resources, with CAPEX being infrastructure expenditure. A further analysis of the allocation of discretionary expenditure provides a clearer understanding of the trends in basic versus secondary expenditure as a result of the introduction of the free SHS programme. In spite of the decline in secondary education's share of education expenditure between 2016 and 2020, a cursory analysis of the discretionary expenditure (CAPEX and Goods and Services), indicates that between 2014 and 2020 for instance, total Goods and Services expenditure for secondary education increased from 53.61% to 57.07%, while basic education share declined from 19.24% to 3.36%. Similarly, basic education's share of CAPEX remained almost unchanged; 10.20% (2014) and 10.95% (2020), while that of secondary increased from 12.47% to 38.21%.

Basic education financing trends

Basic education's share of total education expenditure experienced a decline from 44.3 per cent in 2014 to 41.2 per cent in 2020. With the exception of 2017-2018 where both basic (44.2% to 41.7%) and secondary (26.4% to 24%) experienced simultaneous declines, the expenditure trend in basic and secondary education between 2014 and 2020 indicates an inverse relationship. An increase in the proportion of resources allocated to basic causes a decline in secondary and vice versa, as depicted in Figure 2.

The impact of the increasing share of secondary education on basic education was much felt in 2016 when as a result of secondary education receiving its highest share of education expenditure (26.9%), basic slumped to a low of 37.6 per cent. In 2016, investments were made into the construction of some 200 community day schools as part of the government's progressive free secondary education policy.

Figure 3: Analysis of basic versus secondary education expenditure (2014-2020)



Source: Eduwatch computations from MoE reports.

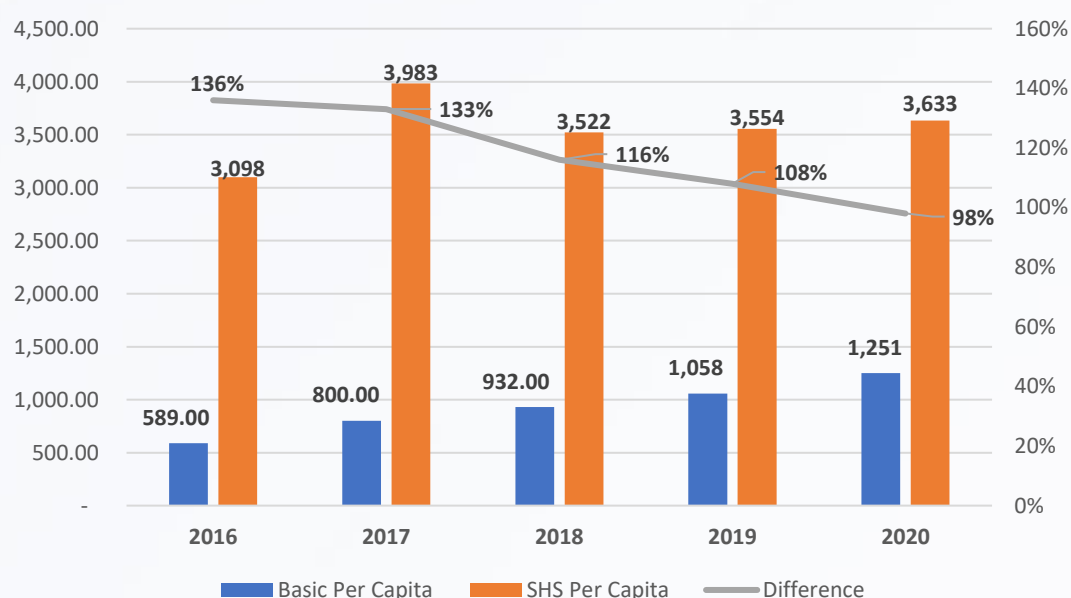
Per capita analysis of pre-tertiary education spending - basic versus secondary

How much Ghana spends on basic and secondary education is an important denominator of equitable spending within the context of prioritizing basic education. It is important to appreciate that Ghana's secondary education system is boarding at norm, with the exception being day schooling. This makes secondary education expensive relative to basic, which is entirely day.

A per capita analysis of sub sectoral expenditure reveals that, the per unit public expenditure on basic education more than doubled over the period 2016-2020 by (a 112% increase) from GHC 589 to GHC 1,251. A diminishing incremental trend is observed in secondary education, where the per unit public expenditure increased marginally by 17.3 per cent from GHC 3,098 to GHC 3,633 between 2016 and 2020.

Ghana's government spends three (3) times more on an SHS student (GHC 3,633) than a basic school student (GHC 1,251), as shown in Figure 3. It is therefore not surprising that a huge infrastructure gap continues to exist in basic education, leading to a 20 per cent cohort dropout. In deprived regions like the Northern Region, about 30 per cent of primary school graduates do not transit to Junior High School (JHS) due to the lack of JHSs in 60 per cent of primary schools.

Figure 4: Per capita analysis of basic and secondary education (2016-2020)



Source: Eduwatch computations from MoE reports.

Under the free SHS programme, food and other lodging costs, including utilities, are free for the 70 per cent of SHS students that are boarders. Opportunities for cost optimization exists in the gradual de-boardinisation of secondary education, cost sharing and targeting to reach the poor. While the President of the Republic has indicated the need for a broader conversation around funding sustainability of the free SHS, there is also no indication yet of government's intention to target and reach children from the poorest households using available data from the Ghana Statistical Service or prioritize day secondary schooling. In fact, the trend in education facilities expansion favours boarding schools, as government is focusing on expanding existing ones than constructing new day schools.

Equitable financing of education.

The recently ended Transforming Education Summit reinforced the need to target education spending at the poorest quantile to ensure equity and efficiency in spending by meeting the comprehensive needs of poor people as they access education.

According to UNICEF, Ghana currently spends more public education resources on the richest 20 per cent than the poorest 20 per cent, as depicted in Figure 5.

Figure 5: Percentage of public education resources going to children from the poorest households and richest households in Ghana



Source: UNICEF Education Financing Policy for Western and Central Africa, 2021

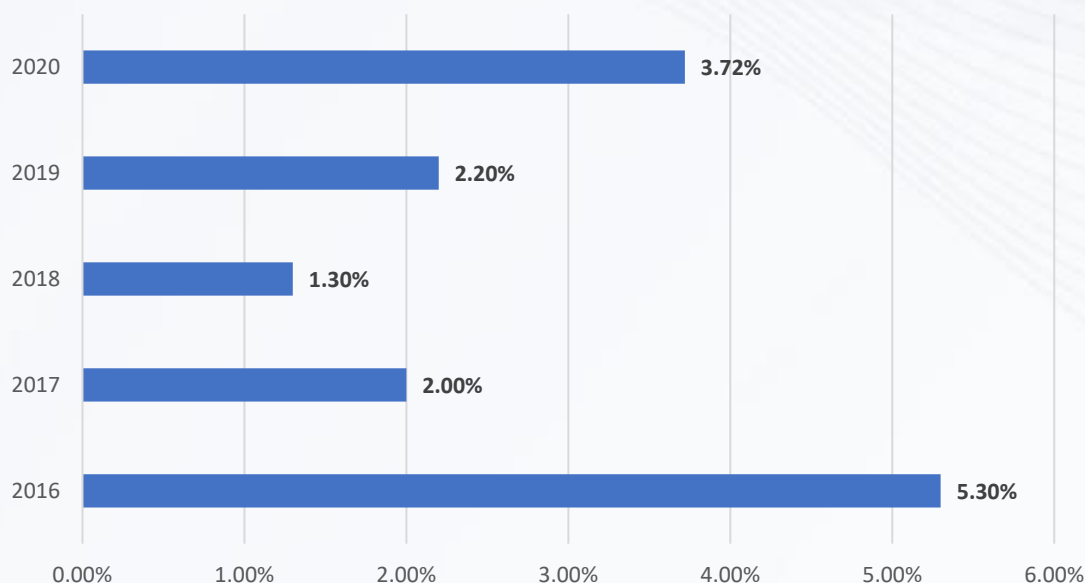
More specifically, public education expenditure on children from the richest 20 per cent households is three (3) times higher (33%) than that of the poorest 20 per cent i.e. 11%, a situation that calls for strengthened commitment to improved education financing and increased equitable spending to create more opportunities for the majority poor who are out of school or at risk dropping out.



TVET financing

Technical and Vocational Education and Training (TVET) is widely recognized as the panacea to the growing youth unemployment debacle that confronts Africa's youthful population. The Government of Ghana (GoG) continues to invest in the modernization of TVET infrastructure with state-of-the-art facilities while introducing new market led curriculum and pathways.

While in nominal terms the amount spent on TVET increased by 67 per cent from GHC 481 million in 2016 to GHC 709 million in 2020, the share of education expenditure to TVET declined from 5.3 per cent in 2016 to a low of 1.3 per cent in 2018 before inclining to 4.0 per cent in 2020. The data, as presented in Figure 5, indicates that a lesser proportion of education resources is being spent on skills training, hence, the need to improve TVET spending.

Figure 6: Trends in TVET expenditure 2016-2020

Source: Eduwatch computations from MoE reports.

TVET is free under the free TVET programme. However, its costing module, which mirrors that of free SHS – raises issues concerning funding and relevance. Eduwatch's free TVET report (2020) identified inadequate financing of practical work and accompanying delays in release of funds as key impediments to achieving quality skills training in Technical and Vocational Institutes (TVIs) under the free TVET programme.

In 2020, about GHC 33 was allocated as cost per student for 20 practical sessions in an academic year, suggesting an average of GHC 1.6 per practical session. Apart from being inadequate, the delay in releasing the funds made issues worse. A July 2022 release of the Conference of Heads of Assisted Senior High Schools indicated that, funds for running schools, including practical fees for TVET were in arrears for over a year.

The need for increased budgetary allocation to TVET is as important as ensuring timely disbursement of funds for running TVIs. Also, the costing module for the Free TVET does not provide a realistic foundation for costing TVET training. Government must consider a purposive costing model for TVET that considers the full cost of training in government TVIs under the fee-paying regime in order not to dilute the quality of training.



Picture Credit: Norvan Reports

Financing of Special and Inclusive Education

In 2015, Ghana adopted an Inclusive Education Policy which echoes the international framework on the right to education for young people with disabilities. The Auditor General's Performance Audit of Special Education (2022) indicates that, there are about 100,000 children with disability out of which some 16,000 are out of school. Special schools continue to lack basic infrastructure, facilities, and funds for school management.

To ensure equal participation in education and improve learning outcome for children with special needs, Ghana's Education Strategic Plan (2018-2030), among other things, seeks to enhance access to special and inclusive education by children with special needs. This vision cannot materialize without adequate and consistent financing of special and inclusive education.

An analysis of the percentage of annual expenditure on special and inclusive education relative to the total education spending between 2016 and 2020 shows a negative growth. While the percentage of education spending on the sub-sector as a percentage of total education spending in 2016 was 0.29 per cent, increasing to 0.40 in 2017 and declining to 0.18 per cent in 2020 as shown in Figure 6.

Figure 7: Percentage of education spending on special and inclusive education (2016-2020)



Source: Eduwatch computations from MoE reports

More worrying is the fact that, even when allocations to Eduwatch computations from MoE reports increased, funds were not released. The Auditor General's Performance Audit of Special Education (2022) reveals that, from 2015 to 2020, of the GHC 59.2 million approved by Parliament to the sub-sector, only GHC 38 million (64.54%) was released. As presented in Table 4, the budget execution rate in 2020 was only 32 per cent – with only GHC 4 million out of the GHC 12.8 million approved budget being released. This negative trend casts doubt about Ghana's commitment to inclusive education.

Table 4: Budget execution rate for Special Education (2015-2020)

Year	Approved Budget (GHC)	Actual Receipt (GHC)	% of Actual Receipt
2015	6,541,620.00	2,028,730.90	31.0%
2016	6,629,700.00	3,500,000.00	52.8%
2017	7,696,508.00	7,638,418.00	99.2%
2018	11,469,168.40	7,147,162.40	62.3%
2019	14,048,628.00	13,221,259.00	94.1%
2020	12,825,944.00	4,061,623.72	31.7%
TOTAL	59,211,568.90	38,218,084.82	64.54%

Source: Auditor General's Performance Audit of Special Education (2022)

To achieve inclusion targets in the Education Strategic Plan, the MoE must consistently commit at least 1 per cent to finance special and inclusive education and ensure disbursement of allocated funds within the financial year.

Complementary Education for Out-Of-School Children

There are 418,000 basic school-aged Out-Of-School-Children (OOSC) in Ghana, with 283,000 in primary schools and 135,000 in JHS⁹. The Complementary Education Agency (CEA), formerly Non-Formal Education Division (NFED) is mandated to provide complementary education for disadvantaged groups and OOSC in Ghana.

In the past decade, donors, led by the British Government financed the implementation of Complementary Basic Education (CBE) until government committed to owning the programme, leading to a transition to the MoE/CEA. This resulted in a CBE policy and a CEA law in 2020, backed by a political commitment to finance CBE with the equivalent of 1 per cent of the basic education budget.

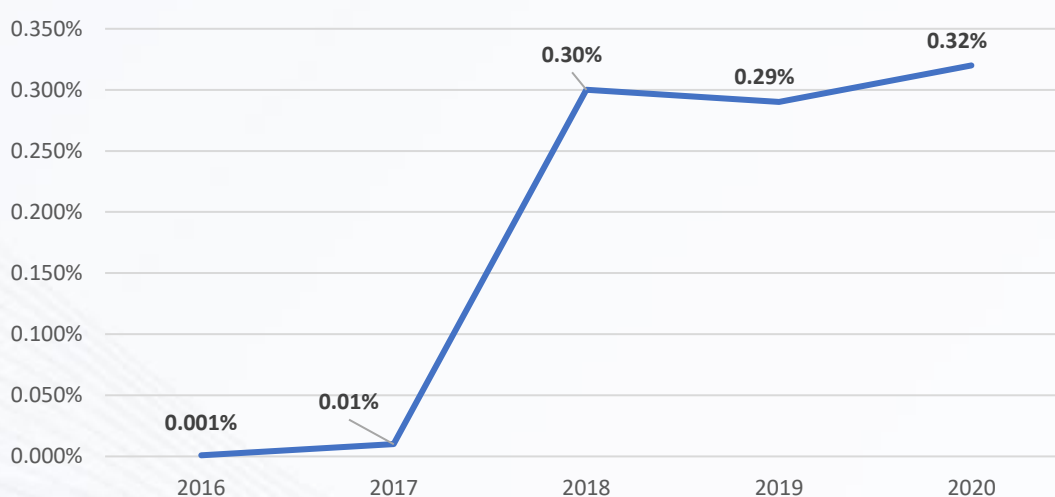
The CEA law provides an expanded focus for CBE transition to include lifelong learning and TVET, an improvement on the previous arrangement where basic education was the only pathway for graduating CBE learners. Operationalizing new pathways cannot materialize without a well-funded CEA.

The CBE policy has seen very little financing, with the CEA being woefully underfunded, receiving a maximum of 0.32 per cent of the sector's expenditure in 2020. While the 0.32 per cent represents a marginal improvement from the 0.01 per cent expenditure allocation in 2016 and 2017, the CEA requires at least 2 per cent of total education expenditure to deliver on its complementary education mandate under the new CEA Law.

The 2022-2025 Medium-Term Expenditure Framework (MTEF) of the MoE does not provide any realistic opportunity for meeting this financing target, as it allocates an average of 0.04% of the education budget to the CEA. It is important for the Ministry to revise the MTEF to reflect the increasing number of OOSC and the responsibility of the CEA to respond in line with its mandate.

The Ghana Education Outcome Fund is a complementary opportunity for CBE implementation. However, the one-year delay in its start-up is of concern to sector stakeholders at a time the number of OOSC keeps increasing in underserved districts which have seen no CBE activity for years.

Figure 8: NFED/CEA expenditure trends (2016-2020)



Source: Eduwatch computations from MoE reports.

Governance and accountability

Spending efficiency and financial accountability are major challenges in the education sector. The key drivers are unprioritized spending, a culture of single source procurement supported with contract opacity, creating no space for civil society scrutiny and accountability. There is also the issue of weak internal audit systems and zero accountability of boards of education sector agencies to reported financial irregularities.

Eduwatch's Education Accountability Report II (2022) reveals that, the education sector recorded about GHC 80 million worth of financial irregularities comprising cash, tax, payroll, contract, asset, procurement and stores irregularities¹⁰. The Report, based on various findings in three (3) Auditor-General's Reports on the education sector for 2020, identified among others that:

- Pre-University Educational Institutions recorded financial irregularities totalling GHC 41,778,456.97.
- Technical Universities recorded financial irregularities totalling GHC 13,093,026.00 for the 2020 financial year.
- The MoE and its Departments and Agencies recorded financial irregularities totalling GHC 21,903,228.16 for the 2020 financial year.

Horizontal accountability institutions, including the Auditor-General, Parliament and the Office of the Special Prosecutor often appear to act post-facto with little or no effect on preventing financial waste, and are not self-responsive without a public trigger. In the absence of information, such public triggers are impossible.

In spite of the passage of the Public Financial Management Law and its regulations, successive Auditor-General Reports on the sector identify weak financial oversight as a missing link to ensure compliance. Boards of education sector institutions have not been held accountable by their appointing authority (The President of the Republic) for financial irregularities and waste, creating laxity in vertical accountability. This, coupled with weak internal audit capacity has institutionalized financial irregularities.

The Right To Information (RTI) regime has not been impactful on the work of CSOs to demand accountable spending in the education sector. A 2021 publication by the Fourth Estate, a project under the Media Foundation for West Africa, indicates that Ghana's MoE was one of 17 institutions that failed to respond to RTI requests within the 14-day stipulated period¹¹. Without timely access to relevant procurement, education spending and budgets, it is challenging for Civil Society to demand accountability on education financing.

10. Africa Education Watch (2022). Education Accountability Report II

11. TESTING RTI LAW: The 33 public institutions that passed or failed (thefourthstategh.com)

Conclusion

Ghana has met global financing benchmarks in education, thereby impacting on access to basic and secondary education. However, as the economy expands, there is a downward trend in education's share of public expenditure and the GDP, raising issues about the sustainability of key basic and secondary education interventions critical to meeting the SDGs by 2030.

There are significant inequities in education spending, both between basic and secondary education, and amongst the poorest and richest households. It is important to improve equitable spending of education expenditure that prioritizes the needs of the poorest household.

Delayed disbursement of funds continues to affect the quality of skills training and cost of education infrastructure. Improvements in disbursement mechanisms are necessary for cost efficiency and effectiveness.

Fragile institutional governance and external oversight, weak internal audit systems and public sector horizontal accountability mechanisms, lack of procurement transparency and information access on policy implementation, limits the ability of Civil Society to demand accountability in education spending.

Recommendations

1. Government must upscale and sustain education spending to 6% of GDP and at least 20% of total government expenditure.
2. Government must commit at least 50 per cent of education expenditure to basic education, by increasing the GoG allocation to basic, with 20 per cent committed to capital expenditure. This will help reduce the infrastructure gap, enhance access and reduce dropouts.
3. Government must explore cost efficient education financing options through enhanced domestic resource mobilization. The over reliance on bonds is expensive and unsustainable.
4. Government must build tax infrastructure, broaden the tax base, to support fairer property taxes, fight tax evasion and implement the Tax Exemptions Bill already passed by Parliament. This would increase the fiscal space to allow increased investment in the education sector.
5. Government should leverage on existing GSS data on household expenditure to develop a targeting system that enables the average to rich households to pay for feeding in SHS, while the poorest receive even more support to remove existing financial barriers in funding their school prospectus.
6. The Office of the President should set and enforce competitive procurement benchmarks for the Ministry of Education and its agencies.
7. The Ministry of Education must promote efficiency in education spending within the various agencies and the Ministry itself. This can be achieved by adopting a competitive procurement and value for money culture in all its spendings.
8. The Ministry of Education must commit to open procurement and budgetary transparency in education spending, while enforcing public financial management laws and regulations, and enhancing internal audit capacity.
9. The Minister of Finance must take steps to uncap the GETFund, ensure prompt release of the Fund within the financial year of approval.

10. The Minister of Education must prioritize basic education infrastructure in its proposals for GETFund allocation. This is necessary in reducing dropouts at the basic level, thereby enhancing opportunities for access to secondary education by the poor.
11. Parliament must strengthen its oversight on the administration of the GETFund by insisting the Minister of Finance uncaps GETFund before approving the 2023 distribution formula.
12. Parliament must ensure basic education receives priority allocation and funds timely released.
13. The Ministries of Education and Finance must work together to improve budget credibility for Special Education by ensuring all funds allocated are released.
14. The Ministry of Education should increase TVET spending to 5 per cent of the sector expenditure and prioritize the upgrading of underserved TVIs.
15. The Ministry of Education should increase the CEA's share of the sector expenditure to 2 per cent and expedite the roll-out of CBE under the Ghana Education Outcome Fund to enable an effective implementation of the CBE policy to reduce the increasing number of Out-Of-School Children.

EDUCATION FINANCING BRIEF

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