



Preliminary Statement on the 2024 Education Budget

Introduction

In 2015, Ghana committed to the Sustainable Development Goals which includes Goal 4, aimed at “ensuring inclusive and equitable quality education and promote lifelong learning opportunities for all”. Recognizing that this cannot materialize without adequate and equitable financing of education, UNESCO recommends that countries commit 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 education.

At the Global Education Summit held in July 2021 in the United Kingdom (UK), President Nana Addo Dankwa Akufo-Addo pledged to spend at least 23% of the national budget towards the development of education in the country over the next medium-term from 2021 to 2025. Subsequently, in 2022, President Nana Akufo-Addo was invited to become a Global Partnership for Education (GPE) domestic financing champion given the commitments the Government of Ghana made towards increasing domestic financing on education.

The 2024 budget

On Wednesday November 15th, 2023, the Minister for Finance, Honourable Ken Ofori-Atta, presented the President’s 2024 Budget to Parliament. The government projects a total public expenditure of GHC 226 billion in 2024, higher than the GHC 190 billion in the previous (2023) main budget by 19%¹. Eduwatch presents a preliminary review of the education section of the national budget. The review is informed by the key principles of allocative efficiency and Ghana’s international commitment to education and its financing.

Observations

We observe that:

1. Out of a projected government expenditure of GHC 226 billion, GHC 32.7 billion², representing 14.5%, was allocated to the education sector. This is not only lower than the 23% pledge of President Akufo-Addo to World Leaders, but also lower than the 2023 Sub-Saharan African average of 15.5% and UNESCO’s minimum target of 20%.
2. With a projected GDP of GHC 1.05 trillion in 2024, the allocation of GHC 32.7 billion to education represents a 3.3% education sector share of GDP, which is lower than UNESCO’s target of 6% and Sub-Saharan Africa’s average of 5%.

¹ Excluding amortization and arrears

² This includes GETFund (GHC 3.2 billion and Student’s Loan Trust Fund- GHC 6.2 million)



3. The GHC 32.7 billion allocation to education nominally represents a 32% increase from the 2023 allocation of GHC 24.7 billion. However, in real terms, the 35% inflationary impact reduces the real value to GHC 21.2 billion.
4. Of the total allocation to education, about GHC 22.50 billion, representing 68.8% is earmarked for salaries and related expenses, i.e., Compensation of Employees, compared to 65% in the main 2023 budget.
5. Of the total allocation to education, GHC 985 million, representing 3% of the total education allocation is earmarked for Capital Expenditure (CAPEX)-education infrastructure, compared to 0.1% in the 2023 main budget.
6. Of the total allocation to education, GHC 6.07 billion, representing 18.7% of the total allocation is earmarked for Goods and Services, where the non-salary recurrent cost of running education is financed.
7. The contribution of donors is GHC 827 million, representing 2.5% of the total education budget. This is a decrease from GHC 1.7 billion in 2023, where donors contributed 7.4% of the education budget.
8. An amount of GHC 2.4 billion, representing 7.3% of the total education budget is contributed from the Annual Budget Funding Amount (ABFA), which is education's share of Ghana's oil revenues. This amount is fully committed to the free SHS/TVET programme.
9. An amount of GHC 3.4 billion representing 10.4% of the budget is contributed by Internally Generated Funds (IGF).
10. Of the total allocation to education, GHC 2.7 billion, representing about 8% of the total education budget is allocated to the free SHS/TVET programme, compared to 11.7% in the 2023 main budget. The allocation of GHC 2.7 billion constitutes a 10% decline from the 2023 allocation of GHC 2.9 billion. In real terms however, the 35% inflationary effect reduces the value of the 2024 allocation of GHC 2.7 billion to GHC 1.7 billion, almost equivalent to the free SHS allocation for 2019 (GHC 1.6 billion).
11. Of the total allocation to education, the amount of GHC 84 million is allocated to the financing of the Capitation Grant. This is the first time the Capitation Grant is receiving a full allocation since it was increased to GHC 10 per pupil/year in 2018. In 2023, only GHC 11 million was allocated. However, discounted by inflation, the real value of the Capitation Grant allocation for 2024 is GHC 54 million.
12. Of the total allocation to education, GHC 3.2 billion is allocated to GETFund, representing an increase of 78% compared to the 2023 main budgetary allocation of GH 1.8 billion. However, because of the capping of the GETFund

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Levy by the government, the 2024 allocation represents only 40% of the projected GETFund Levy accruals of GHC 7.9 billion for 2024.

13. An amount of GHC 1.39 billion is allocated to the Ghana School Feeding Programme (GSFP), representing an increase of 43% over the 2023 main budget allocation of GHC 969 million. However, discounted by food inflation of 44%, in real terms, GSFP allocation is worth GHC 779 million, lower than the 2022 nominal allocation of GHC 881 million.
14. An amount of GHC 6.2 million is allocated to the Students Loan Trust Fund. This represents an increase of 100% from the 2023 main budget allocation of GHC 3.1 million.
15. Of the total allocation to education, GHC 222 million is earmarked for the payment of teacher trainees' allowances compared to GHC 240 million in 2023.

Our Call

1. We welcome the creation of a separate budget line for Capitation Grant by the Ministry of Finance, and well as its unprecedented full allocation.
2. We welcome the increased allocation to compensation. This will enable the recruitment of more teachers in 2024 while paying education workers economically reasonable salaries.
3. We welcome the increased allocation to the GSFP and call for an increase in the per unit allocation from the current GHC 1.2 per meal, which is not even enough to buy one egg, to GHC 3. This will help mitigate the impact of high food inflation. Efforts should be made to deepen transparency in the GSFP while fully decentralizing its management to local authorities.
4. We lament the low allocation of 3% of the main education budget to CAPEX i.e., infrastructure. While GETFund provides a window for supplementary funding for infrastructure, the statusquo, where less than 30% of the GETFund is invested in education infrastructure provides no real hope for filling the huge education infrastructure gap of over 11,000³ basic school buildings, coupled with an avalanche of uncompleted and abandoned projects in second cycle and tertiary institutions, especially the Colleges of Education.
5. We call on the Ministry of Education to ensure at least 60% of the 2024 GETFund budgetary allocation goes into financing education infrastructure, with priority to basic education.

³ 5,400 schools under trees, sheds etc., 4,000 JHS for primary schools without JHS, and 2,000 new basic schools in underserved communities to provide access to the 1.2 million out of school children.



6. We call for strengthened transparency and accountability in the utilization of the Capitation Grant at the district and school levels. The strict alignment of the Capitation Grant to School Performance Improvement Plans is critical to ensure effective spending towards improving learning outcomes at the school level.
7. We reiterate our opposition to the continuous payment of teacher trainee allowances to student teachers in Colleges of Education, who are tertiary students and qualify for students loan, just like their counterpart teacher trainees in the universities. The GHC 222 million earmarked for teacher trainee allowance in 2024 can be efficiently spent on completing the over 50 abandoned/stalled hostels projects in the 46 public Colleges of Education. The government should invest in the Students Loan Scheme for all public tertiary students, including teacher trainees in both Colleges of Education and the Universities. Providing enhanced access to adequate and timely students loan is a sustainable strategy for financing tertiary level teacher training, and not stipends.
8. We call on the Minister for Finance to commit to an enhanced disbursement of education funds after appropriation. While Parliament's oversight on disbursement and spending efficiency is critical, Eduwatch's monitoring will be regular and complementary.

Conclusion

Once again, Ghana has failed to meet the minimum international benchmarks for financing education. The declining proportion of the national budget allocated to the education sector will negatively affect Ghana's attainment of the Sustainable Development Goals 4 targets by 2030.

Over the past seven (7) years, the economy of Ghana has increased by four-fold and is further projected to increase further in 2024. However, as the economy expands, education's share of GDP continues to decline. Ghana must re-set its public education financing protocols to improve the supply of the globally competitive human capital needed to drive economy development.

Education spending must not only increase but improve in efficiency. The government must prioritise spending efficiency and equitable spending in the education sector to achieve universal and equitable access to high quality public education with relevant outcomes across all levels.

Accra, November 17th, 2023.