

Analysis of the 2023 Education Budget

January 2023



SECTION 1: INTRODUCTION

Ghana has signed onto a number of commitments to international calls to action on education financing. The Incheon Declaration for Education (2015) to which Ghana is a signatory, recommends that governments should spend at least 4-6 per cent of their Gross Domestic Product (GDP) and or at least 15 – 20 per cent of total public expenditure on education. This is reiterated in the Education 2030 Framework for Action which was adopted by 184 UNESCO Member States on 4th November 2015 in Paris.

In July 2021, Ghana joined 19 other Heads of State and Governments of partner countries of the Global Partnership for Education (GPE) to reaffirm their commitment to Sustainable Development Goal 4 (SDG 4) – to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. The group recognized

that domestic financing is and will remain the most significant and sustainable form of funding for education, and therefore, committed to allocate at least 20 per cent of their annual public budgets to education, and to promote equity, efficiency, improved learning outcomes, and increased support to teachers.

The UN Secretary-General in his vision statement at the Transforming Education Summit noted that: "Quality education is the single most important investment that any country can make for its future and its people. Investing in education is investing in people and in our collective future".

During the Transforming Education Summit at the United Nations, H.E Nana Addo Dankwa Akufo-Addo, President of the Republic of Ghana, was announced as the

GPE champion to promote the Heads of State Declaration on Domestic Finance,

adopted in July 2021 and endorsed by 20 Heads of State to date.

Budget Allocation and GDP

The Government of Ghana (GoG), recognizing the importance of education in the transformation of individuals and the national development agenda, has made considerable investments in education over the years to achieve SDG 4 by 2030. Between 2017 and 2023, the average budget allocation to education as a percentage of Nominal GDP is approximately 4.0 per cent while the average share of education budget as a percentage of total government expenditure over the same period is 17.1 per cent, both within the recommended international benchmarks on government's spending on education.

This notwithstanding, the allocation to the education sector in the 2023 Budget Statement and Economic Policy presented by the Minister for Finance to Parliament, is the lowest proportion of government budget allocated to education in over a decade. The 2023 Education budget as a percentage of GDP is 3.09 per cent and forms only 12.97 per cent of Government Expenditure for 2023. This falls below the various international benchmarks that Ghana has signed unto which recommend that between 4-6 per cent of GDP and 15-20 per cent of total government expenditure should be spent on education.

Table 1 shows the trend of the total education budget from the various funding sources as a percentage of nominal GDP and total Government spending from 2017-2023.

Table 1: Trend in Education Budget Allocation 2017 - 2023 (GH¢ millions)

Source	2017	2018	2019	2020	2021	2022	2023
GoG	7,146.50	7,977.37	10,303.32	11,797.71	11,855.26	13,407.68	15,098.66
ABFA	211.72	465.91	720.07	1,314.56	776.18	993.85	2,987.59
GETFund	790.22	924.80	1,206.76	2,009.32	1,442.80	2,600.80	1,869.56
Donor	318.42	326.05	299.45	911.29	925.43	551.26	1,706.40
IGF	653.46	1,627.37	1,555.20	1,706.88	2,074.77	2,834.04	3,109.95
Total Educ. Budget	9,120.32	11,321.51	14,084.81	17,739.76	17,074.43	20,387.62	24,772.16
Nominal GDP	202,010.00	300,596.10	349,480.41	383,304.85	433,685.66	502,429.68	800,920.53
Total Government Budget	51,939.20	58,196.96	67,856.11	96,400.43	110,050.23	135,629.03	190,996.54
Educ. Budget as a % of GDP	4.51%	3.77%	4.03%	4.63%	3.94%	4.06%	3.09%
Educ. Budget as a % of GoG Exp.	17.56%	19.45%	20.76%	18.40%	15.52%	15.03%	12.97%

Source: Budget Statements from the Ministry of Finance

SECTION 2: 2023 BUDGET ALLOCATION

The education budget is financed through the Consolidated Fund (GoG), Annual Budget Funding Amount (ABFA) i.e. petroleum revenues, Ghana Education Trust Fund (GETFund), Internally Generated Funds (IGF) and Development Partners (DPs). The Ministry of Education has been allocated an amount of GH¢24.7 billion in the 2023 budget, representing 12.97 per cent of the total government expenditure of GH¢190.99 billion. This is an increase of 21.5 per cent over the 2022 budget allocation of GH¢20.38 billion.

In line with international conventions and best practices, GoG recognizes that domestic financing is the most significant and sustainable source of education

financing and thus, continues to contribute the largest share of the sector's budget with funding from Government sources (GoG, ABFA and GETFund) contributing 80.6 per cent of the total budget allocation for 2023. This is followed by funding from IGF (12.6%) and DPs (6.9%).

The budget allocation to the Ministry of Education covers three (3) main expenditure items namely; Compensation of Employees (Expenditure on Salaries and Allowances), Goods and Services i.e. teaching and learning resources, feeding, management etc., and Capital Expenditure (CAPEX) – i.e infrastructure. Table 2 shows the trend in budget allocation by expenditure items between 2021 and 2023.

Table 2: Trend in Education Budget Allocation by Expenditure Items (2021-2023)

Expenditure Item	2021 GH¢	%	2022 GH¢	%	2023 GH¢	%
Compensation	10,522,033,109	61.6%	11,927,908,000	58.5%	15,234,031,781	61.5%
Goods and Services	3,822,187,343	22.4%	5,165,716,000	25.3%	5,312,222,577	21.4%
CAPEX	2,730,213,850	16.0%	3,301,997,000	16.2%	4,225,909,676	17.1%
Total Budget	17,074,434,302	100%	20,395,621,000	100%	24,772,164,034	100%

Source: Budget Statements from the Ministry of Finance for 2021-2023

Compensation of Employees

Budget allocation to the Ministry of Education over the years has always been skewed towards the payment of Salaries and Allowances to teachers and other educational workers. Between the years

2021-2023, an average of 60.53 per cent of the sector's budget allocation from all funding sources was allocated to Compensation of Employees. In the 2023 budget, an amount of GH¢15.2 billion,

¹Posting of 16,500 CoE graduates for one month (Dec 2023) because they will be done with their National Service in Sept 2023

²Cost of recruiting 4,246 Graduate Teachers for a period of 9 months taking into account the recruitment period at an average salary of GHs2,684

³Cost of recruiting 10,800 Non-Teaching Staff for a period of 9 months with an average salary of GHs 1,600

representing 61.5 per cent of the total budget allocation to education from all funding sources has been earmarked for the payment of salaries and allowances under Compensation of Employees. From GoG and ABFA funding sources, a whopping 82.9 per cent of the 2023 allocation is going into Compensation of Employees.

This notwithstanding, the Ministry of Education's request for an amount of GH¢302.4 million for recruitment into the Ghana Education Service in the 2023 budget

proposal was dropped by the Ministry of Finance in line with Government's decision to freeze employment into the Civil and Public Service as indicated in Section 224 of the 2023 Budget Statement. This will negatively impact education service delivery, as about 16,500¹ College of Education graduates, 4,246² University Graduate teachers and 10,800³ Non-Teaching Staff may not be recruited in the financial year as requested by the education sector agencies.

Goods and Services

Non-salary recurrent programmes and activities are implemented with allocations under Goods and Services. The budget allocation for Goods and Services from all funding sources has been increasing steadily from GH¢3.8 billion in 2021 to GH¢5.3 billion in 2023. However, the share of the education budget for Goods and Services marginally fluctuated over the same period from 22.4 per cent in 2021 to 25.3 per cent in 2022, to a current low of 21.4 per cent in 2023.

The allocation of Goods and Services for the Ministry of Education can be categorized broadly under Social Intervention programmes, free Senior High School Programme (free SHS) and Administrative Grants. The Social Intervention Programmes/Existing Interventions include Capitation Grants to pupils in regular and special public basic schools, Feeding Grants to Special Schools, BECE Subsidy for candidates in public Junior High Schools,

Establishment Supplies to basic schools, Complementary Basic Education, etc. The Administrative Grants cover the implementation of planned programmes and activities, payment of Contributions and Subscriptions (UNESCO, WAEC International, AIMS, etc.) as well as funds for the administrative running of the Ministry of Education Headquarters, agencies and their regional/ district offices across the country.

The largest share of the education budget from all funding sources for Goods and Services is allocated to SHS and TVET (59%), which appreciated from 49 per cent in 2022. Among all the sub-sectors, the SHS and TVET Goods and Services budget is the only one that appreciated in nominal value and proportional share from about GH¢2.5 billion (49%) to GH¢3 billion (59%), because of the free SHS Programme. All others experienced significant declines in their proportional share of resources.

Tertiary education received 33 per cent, declining from 40 per cent in 2022. In nominal terms, tertiary's share of the Goods and Services budget also declined from GH¢2 billion in 2022 to GH¢1.7 billion in 2023.

While the dominance of SHS/TVET is mainly due to the quantum of the allocation for the implementation of the free SHS Programme at the secondary level, the growing contribution of IGF at the tertiary level is responsible for its significant (albeit dwindling) share of the Goods and Services budget.

Basic education received the lowest share of only 3 per cent, representing a decline from 5.7 per cent in 2022. Again, in nominal terms, the allocation to basic education declined from GH¢292 million in 2022 to GH¢167 million in 2023 - about 40 per cent decline in funding free Compulsory Universal Basic Education.

Special Education received 0.26 per cent of the Goods and Services budget, representing a decline from 2022's share of 0.4 per cent. Nominally, the amount

allocated declined from GH¢21 million in 2022 to GH¢13 million in 2023.

The allocation to management also saw a decline from 5.1 per cent in 2022 to 3.8 per cent in 2023. In nominal terms, the allocation declined from GH¢263 million in 2022 to GH¢203 million in 2023. It is worthy of mention that even for 2022, administrative grants for managing education offices were in arrears for three quarters, with some districts receiving only GH¢5,000 out of the budgeted GH¢60,000. Further reducing the 2022 allocation, therefore, means fewer resources for managing education at the district, regional and national levels.

The least of 0.08 per cent went to Complementary Education, representing a decline from 0.1 per cent in 2022. In nominal terms, the amount allocated increased from GH¢2.9 in 2022 to GH¢4 million in 2023. Out of this, an allocation of GH¢2.1 million was specifically for implementing a Complementary Basic Education programme (CBE). This is a significant, commendable major step in Ghana's domestic funding of a CBE programme after a decade of donor-led CBE financing.

Table 3: Goods and Services Budget Allocation by Level of Education – All Funding Sources (2021-2023)

Level	2021	% Share	2022	% Share	2023	% Share	% Average
Basic	171,595,565	4.5	292,599,825	5.7	167,050,914	3.14	4.43
SHS	1,761,879,552	46.10	2,352,094,366	45.5	2,763,813,677	52.03	47.89
TVET	222,123,220	5.81	160,327,717	3.1	373,174,411	7.02	5.31
SPED	16,378,902	0.43	21,075,600	0.4	13,656,324	0.26	0.36
NFED/CEA	1,600,000	0.04	2,980,000	0.1	4,043,440	0.08	0.06
Tertiary	1,525,367,978	39.91	2,072,668,806	40.1	1,787,139,967	33.64	37.89
Management	123,242,127	3.22	263,969,686	5.1	203,343,844	3.83	4.05
Total	3,822,187,343	100.0	5,165,716,000	100.0	5,312,222,577	100.0	100.0

Source: Author's computations from activities outlined in the approved budget of the MoE

GoG and ABFA allocations to Goods and Services

Ghana has committed to improving domestic financing of education. The total allocations to Goods and Services comprise donor contributions and IGF from especially the tertiary institutions. This explains why about a third of the Goods and Services budget is allocated to the tertiary sector. The majority of the allocation is self-generated by the institutions through fees and other investments.

A more realistic way of analyzing the apportionment of government's revenue to the Goods and Services budget of the education sector is by using the GoG and ABFA contributions, which gives a clear picture of how the government is spending domestic revenues on education. An analysis of the pre-tertiary budget allocation from GoG and the ABFA for Goods and Services shows that the allotment has been skewed heavily towards SHS/TVET over the period.

Table 4: Goods and Services Allocation by Level of Education from GoG & ABFA to the pre-tertiary education sector (2022-2023).

Level	Description	2022 Revised Budget	% Share	2023 Allocation	% Share
Management	MoE HQ and Agencies	10,428,270	0.4	26,912,500	0.9
Basic	Existing Interventions	91,905,762	6.5	16,000,000	2.2
	WAEC/ Exams Fees	70,018,638		51,034,658	
Secondary/TVET	Free SHS	2,299,999,000	92.5	2,957,502,092	96.5
Inclusive and Special Education	MoE HQ and Agencies	0.0	0.0	540,000	0.02
	Existing Interventions	13,075,600	0.5	8,106,560	0.3
Complementary Education Agency	MoE HQ and Agencies	1,600,000	0.1	1,600,000	0.1
	Existing Interventions	0.0		2,143,440	
TOTAL		2,487,027,270	100.0	3,063,839,250	100.0

Source: Author's computations from activities outlined in the approved budget of the MoE

Secondary/TVET

In 2023, a combined total of GH¢2.95 billion representing 96.5 per cent of Goods and Services funding from GoG and ABFA is going into the financing of the Free SHS/TVET program. This represents a 29 per cent increase over the 2022 allocation. It is instructive to note that, the free SHS/TVET budget has been fully placed on ABFA

funding for 2023, which is perceived as the most reliable source of funds for the education sector. However, with the continuous decline in world market price for Brent crude to a low of US\$85 by end of 2022, with 2023 projections pointing towards a decline, this decision could prove costly.

Free Basic Education

Basic education follows with an allocation of GH¢67.03 million representing 2.2 per cent for the payment of Capitation Grant, BECE Subsidy, WAEC Contributions and Establishment Supplies. This does not only represent a 58.7 per cent decrease over the 2022 allocation of GH¢162.46 million, but will also pose a significant challenge during budget implementation due to the 2023 total allocation for Goods and Services to basic education.

Further evidence of inadequacy in the Goods and Services budgetary allocation for basic

education is found within the GH¢26.5 million allocation for Existing Interventions, out of which only GH¢11 million is allocated for the payment of Capitation Grant. At the current rate of GH¢10.0 per pupil and the projected enrolment of 6 million pupils in public basic schools, the said GH¢11 million cannot suffice even a term's tranche, thereby making it impossible to provide the necessary supplies such as chalk, Class Attendance Register and other basic logistics for the operations of public basic schools in 2023.

Inclusive and Special Education

The Inclusive and Special Education is the second least funded programme with an average share of 0.36 per cent over the past 3 years from all funding sources. The level is supported by funding from the GoG and GETFund. The allocation from GoG for Goods

and Services goes into payment of Feeding and Administrative Grants to Special Schools while that of GETFund is mainly for the provision of reading materials including Braille to the special schools.

Complementary Education

Complementary Education is the least funded programme under Goods and Services with an average share of 0.06 per cent over the 2021-2023 period though the budget allocation to the Complementary Education Agency (CEA) has seen a consistent increase from GH¢1.6 million (0.04%) in 2021, GH¢2.9 million (0.10%) in 2022 and currently GH¢4.04 million (0.08%) in the 2023 budget. An amount of GH¢2.1 million representing 57.3 per cent of the 2023 budget allocation to the Complementary Education Agency (CEA) from GoG funding is going into the

implementation of the Complementary Basic Education (CBE) programme.

It is worth noting that, compared to the past, recent budget allocations to the Ministry of Education for Goods and Services in the pre-tertiary space come with defined and ring-fenced broad activities by the Ministry of Finance. For instance, in the 2023 budget statement, the Ministry of Finance already defined and allotted the education allocation for Goods and Services, as captured in Table 4, which leaves no room to allocate funds based on the Ministry Education's priorities.

Capital Expenditure (CAPEX)

Education infrastructure is financed with allocations under CAPEX. The quantum of the budget allocation to education for CAPEX as well as the proportion of the budget that goes to same have seen a consistent increase over the years. CAPEX budget allocation from all funding sources has seen a 54.8 per cent increase from GH¢2.7 billion in 2021 to GH¢4.23 billion in 2023. The proportion of the education budget earmarked for Capital Expenditure has also increased consistently from 16.0 per cent in 2021, 16.2 per cent in 2022 and currently 17.1 per cent in 2023.

Education infrastructure is heavily dependent on funding from GETFund. The GETFund has on the average contributed 45.37 per cent of the education CAPEX

budget for the period 2021-2023. In 2023 however, Development Partners are contributing more (37.01%) to the education CAPEX budget than any other funding source. The allocation of GH¢1.56 billion is mainly made up of loans and grants from partners for the implementation of various projects across the various levels of education. These include the Overall Upgrading and Modernization of the Vocational Education System in Ghana project, establishment of 9-State-of-The-Art Technical and Vocational Education and Training (TVET) Centres etc.

Table 5 shows the annual and average contribution of the various funding sources to the education CAPEX budget from 2021-2023.

Table 5: Trend of CAPEX Budget Allocation by Funding Sources (2021-2023)

Funding Source	2021 GH¢	% Share	2022 GH¢	% Share	2023 GH¢	% Share	Average % Share
GoG	11,500,000	0.4	15,050,000	0.5	2,206,000	0.05	0.31
ABFA	13,000,000	0.5	63,000,000	1.9	30,088,000	0.71	1.03
GETFund	1,227,309,446	45.0	1,865,934,000	56.5	1,463,766,680	34.64	45.37
Donor	907,419,452	33.2	506,839,000	15.3	1,564,200,000	37.01	28.53
IGF	570,984,952	20.9	851,174,000	25.8	1,165,648,996	27.58	24.76
TOTAL	2,730,213,850	100.0	3,301,997,000	100.0	4,225,909,676	100.0	100.00

Source: Budget Statements from the Ministry of Finance

The Ministry of Education was directed by the Ministry of Finance to offload all GoG and ABFA capital projects to GETFund for payment. This explains the dwindling budget allocation from central GoG over the period. The CAPEX allocation from GoG has decreased by 80.8 per cent from GH¢11.5 million in 2021 to GH¢2.2 million in 2023.

For the past three (3) years, this allocation has been used for the reconstruction and rehabilitation of some dilapidated basic school structures and the payment of Counterpart Funding Obligations on some of the donor-assisted projects notably the Support to Basic Education Project being implemented with funding from the Arab Bank for Economic Development in Africa (BADEA).

Over the same period, the budget allocation for CAPEX from the ABFA increased by over 380 per cent from GH¢13 million in 2021 to GH¢ 63 million in 2022. The allocation in the 2023 budget is GH¢30 million representing 0.71 per cent of the total allocation for CAPEX from all funding sources. For the past four (4) years, the ABFA budget allocation for

CAPEX has been earmarked for the construction of the regional STEM Centres across the country. This expenditure is placed under secondary education.

The increase in enrolment figures in SHSs as a result of the introduction of the free SHS programme and the subsequent introduction of the Double Track system in 2018, necessitated the need to invest more to expand infrastructure, particularly in the SHSs to support the implementation of the programme.

Table 6 gives a detailed breakdown of GETFund CAPEX budget allocation by the level of education for the period 2021-2023. In 2021, secondary education received the highest share of the GETFund budget (66.1%), followed by basic and tertiary education with 16.1 per cent and 13.4 per cent respectively. In 2022, secondary education again received the highest GETFund allocation (42.5%), followed by tertiary (32.0%) with basic education receiving the least allocation (15.9%) given the three levels of education.

Table 6: Trends in GETFund CAPEX Allocation by Level of Education (2021-2022)

Level	2021				2022			
	GETFund	Bond	Total	% Share	GETFund	Bond	Total	% Share
Basic	56,337,000	63,882,613	120,219,613	16.1	201,000,000	35,000,000	236,000,000	15.9
SHS	69,000,000	425,243,824	494,243,824	66.1	304,092,000	326,274,051	630,366,051	42.5
TVET	-	-	-	0.0	100,000,000	-	100,000,000	6.7
SPED	2,400,000	-	2,400,000	0.3	3,000,000	-	3,000,000	0.2
NFED	-	-	-	0.0	250,000	-	250,000	0.0
Tertiary	73,437,000	26,679,683	100,116,683	13.4	260,000,000	215,000,000	475,000,000	32.0
Mgt & Subvented	27,250,000	3,335,032	30,585,032	4.1	40,125,000	-	40,125,000	2.7
TOTAL	228,424,000	519,141,152	747,565,152	100	908,467,000	576,274,051	1,484,741,051	100

Source: Author's computations from activities outlined in the approved budget of the MoE

As earlier indicated, this does not auger well for expanding equitable access to basic education, especially where 1 million children are out of school, with millions learning in make shift structures.

Unfortunately, as depicted in Table 7, the low premium accorded basic education will not change in 2023, as only 19 per cent is allocated from the GETFund. It is expected that, a significant portion of the GH¢289

million will be spent on the procurement of textbooks which are in short supply in basic schools, leaving the rest for infrastructure. For the first time in five years, tertiary receives the highest (31.6%) followed by secondary (26%), obviously due to the advanced level of completion of the ongoing SHS expansion projects that have been funded by GETFund since 2018. The formula will be considered by Parliament in the first quarter of 2023.

Table 7: Proposed GETFund formula for 2023

Level	2023	
	Budget	% Share
Basic	289,123,908.20	19.8
SHS	393,863,150.42	26.9
TVET	39,223,431.28	2.7
SPED	1,431,195.71	0.1
NFED	900,000.00	0.1
Tertiary	462,470,794.20	31.6
Management & Subvented	276,754,200.56	18.9
TOTAL	1,463,766,680	100.0

Source: Author's computations from activities outlined in the GETFund Formula

SECTION 3: BUDGET EXECUTION

Once the budget is approved by Parliament, Ministries and agencies are authorized to spend consistently with the appropriations for each cost centre and expenditure item. In francophone, Latin American, and many Commonwealth countries, once approved, parliamentary authorization is for one year. In some Commonwealth countries however, the authorization period may be set monthly or quarterly by warrant. In the case of Ghana, though parliamentary approval is for the whole year, budget implementation is managed through the issuance of quarterly budget allotments by the Ministry of Finance within which MDAs are expected to operate. The budget allotment issued by the Ministry of Finance, especially for Goods and

Services and CAPEX has been lower than the approved appropriation.

Unlike some OECD countries such as Australia, Canada, and most Scandinavian countries where unspent operating funds can be carried forward usually up to a specified small percentage of the total funds, in Ghana, just like the majority of countries, unspent funds in one year cannot be carried forward to be spent in the next. This means that whatever balance you have on your budget elapses at the end of the year. The last time the Ministry of Education received a full complement of budget allotment from the Goods & Services and CAPEX budget allocation was in 2017.

Table 8: Budget Execution Rates for Goods & Services and CAPEX from GoG and ABFA (2021-2022).

Expenditure Item	2021			2022**		
	Budget GH¢	Expenditure GH¢	Exe. Rate	Budget GH¢	Expenditure GH¢	Exe. Rate
Goods and Services	2,194,521,384	1,360,407,014	62.0%	2,499,349,000	1,412,129,340	56.5%
CAPEX	24,500,000	23,054,831	94.1%	78,050,000	27,561,320	35.3%
TOTAL	2,219,021,384	1,383,461,845	62.3%	2,577,399,000	1,439,690,660	55.9%

2022 - expenditure as at September 2022**

Source: Author's computations from activities outlined in the approved budget of the MoE

In 2021, 62.0 per cent of the Ministry's allocation for Goods and Services from GoG and ABFA was actually released and expended on planned programmes, activities and various interventions. The Social Intervention Programmes (Existing Interventions) had the highest execution rate of 77.0 per cent followed by the free SHS programme with 61.3 per cent.

Table 8 indicates that, the budget execution rate for Goods and Services from GoG and ABFA as at September 2022 is 56.5 per cent with only 35 per cent of CAPEX spent by September 2022. The low CAPEX execution is partly due to the apathy of the bond market towards the GH¢1.1 billion Daakye Bond issued to finance GETFund infrastructure projects in 2022. By September 2022, less

than 19 per cent of the bond had been subscribed due to market expectations of a possible debt restructuring in Ghana arising from the highly unsustainable debt profile.

Table 9: 2022 Budget Execution Rate for Goods and Services (GoG & ABFA) (September 2022)

Description	Budget	Expenditure	Execution Rate
fSHS Programme	2,299,999,000	1,376,031,577.37	59.8%
Existing Interventions	175,000,000	34,770,265.73	19.9%
Administrative Grants	24,350,000	1,327,496.80	5.5%
TOTAL	2,499,349,000.00	1,412,129,339.90	56.5%

Source: Author's computations from activities outlined in the approved budget of the MoE

SECTION 4: CONCLUSION AND RECOMMENDATIONS

Conclusion

Despite H.E President Nana Addo Dankwa Akuffo Addo's appointment as the GPE champion to promote the Heads of State declaration of committing at least 15-20 per cent of Government spending on education, Ghana for the first time in about two decades, failed to meet the international financing benchmark in education with as low as 12.97 per cent of government's expenditure going into education. This has negative implications on achieving and sustaining key targets in the Education Strategic Plan (2018-2030).

There are significant inequities in education spending among the various levels of education with more attention going to secondary education to the detriment of the other levels. This is evident in the proportion of government's discretionary budget from Goods and Services and CAPEX that is going into secondary education, compared to basic education, special and inclusive education, and the other sub-sectors.

With the exception of the free SHS/TVET which received an increased allocation of about 30 per cent, basic education, special education and tertiary education all experienced significant reductions in their Goods and Services budgets, with basic education and special education experiencing about 40 per cent decline in allocation compared to 2022.

A similar decline of 30 per cent in the management budget of the Ministry of Education and by extension, Ghana Education Service offices implies fewer funds for providing Teaching and Learning Resources and managing education at the district, regional and national levels in 2023. This has implications for quality assurance in the teaching and learning space.

The distribution of CAPEX continues to discriminate against basic education, where the highest infrastructure deficit is recorded. This negatively affects government's ability to remove the over 5,000 schools under trees, sheds and dilapidated structures, and provide desks for the 40 per cent of pupils without desks in basic schools.

Recommendations

1. The Ministry of Education must prioritise spending efficiency and inclusive governance strategies in such difficult periods of resource deficits.
2. To optimize spending efficiency, the Ministry of Education must normalize competitive procurement, strengthen value for money, prioritize pro-poor spending through targeting of social interventions, and redistribute surplus teachers to schools with teacher deficits.
3. To improve inclusive resource governance and augment the resource gap, the Ministry of Education must adopt an equitable and inclusive education financing framework for formalizing already existing opportunities for parental contribution to financing basic and secondary education.
4. The Ministry of Finance must take the necessary steps to increase the education sector allocation to meet the global benchmark of 4-6 per cent of GDP and 15-20 per cent of government expenditure. There is an opportunity in the supplementary budget, with a focus on basic education.
5. The Ministry of Finance should stop pre-defining and ring-fencing the Ministry of Education's budget allocation. The Ministry of Education should be allowed to distribute, allocate and own its budget based on considered priorities.
6. The Ministry of Finance should urgently revise the 2023 budget allocation for existing interventions which covers the critical interventions - Capitation Grant, Feeding Grants to Special Schools and the provision of Establishment Supplies to basic schools.
7. The Ministry of Education must prioritize basic education infrastructure in the 2023 GETFund formula in light of the growing number of schools operating under trees and in dilapidated structures. At least a third of GETFund's discretionary expenditure must benefit basic education infrastructure.



ANALYSIS OF THE 2023 EDUCATION BUDGET

The Analysis of the 2023 Education Budget is an activity under the DANIDA SP II project being implemented by Eduwatch and partners with support from OXFAM



FOR ENQUIRIES, CONTACT:

 Africa Education Watch, 25 Nii Torgbor Avenue, East Legon

 info@africaeducationwatch.org

 www.africaeducationwatch.org

 0303975 001

 @AfricaEduWatch

© Africa Education Watch 2023

