

REPORT OF THE COMMITTEE OF THE WHOLE ON THE PROPOSED FORMULA FOR THE DISTRIBUTION OF THE GHANA EDUCATION TRUST FUND FOR THE YEAR 2014

1.0 INTRODUCTION

- 1.1 In fulfilment of the provisions of section 8 (2) of Act 581 of the Ghana Education Trust Fund Law, 2000, the Distribution Formula for monies expected to accrue to the Ghana Education Trust Fund (GETFund) for year 2014 was laid in Parliament on Wednesday, 26th March 2014 and referred to the Committee of the Whole for consideration and report.
- 1.2 Subsequently, the Committee met on Thursday, 27th March 2014 and considered the referral.

The Committee expresses its appreciation to the Hon. Minister for Education, Professor Jane Naana Opoku-Agyemang and the GETFund Administrator, Mr. Sam Garba for providing clarifications on the proposed Formula.

2.0 REFERENCES

The Committee in preparing its report referred to the following documents:

- i. The Ghana Education Trust Fund Act, 2000 (Act 581);
- ii. The Formula for the distribution of Proceeds of the GETFund for year 2014; and
- iii. The Standing Orders of the House.

3.0 BACKGROUND INFORMATION

3.1 Section 8(2) of Act 581 provides that the Board of Trustees of the Fund should annually submit to Parliament for approval, a Formula for the distribution of funds to the following sub-sectors of Education:

- i. Tertiary;
- ii Second Cycle;
- iii. Basic; and
- iv. Other related Agencies of education.

3.2 In arriving at the 2014 Formula for the distribution of the Fund, the Board was guided by the following principles as stipulated in section 8 (3) of the Act:

- i. The promotion of the study of Mathematics, Science, and Technology;
- ii. The advancement of female education;
- iii. The reduction in the high level of illiteracy in historically-disadvantaged areas;
- iv. The promotion of computer, vocational and technical education and training; and
- v. Equitable allocation of funds to the Districts at the Pre-Tertiary level of education.

4.0 OBSERVATIONS AND RECOMMENDATIONS

4.1 Disbursement of Accruals for year 2013

The Administrator of the GETFund, Mr. Sam Garbah, informed Hon. Members that the disbursement of accruals from the 2.5% VAT was extremely slow in year 2013. As a result, the management of the Fund

was extremely challenging. Mr. Garbah indicated that as at December 2013, only an amount of One Hundred and Eighty-Five Million, Seven Thousand, Three Hundred and Thirty-Three Ghana Cedis, Thirty-Six Pesewas (GH¢185,007,333.36) out of an approved amount of Six Hundred and Ninety-one Million, Four Hundred and Fifty-seven Thousand, Two Hundred Ghana Cedis (GH¢691,457,200.00) was released to the Fund.

Currently, payments to GETFund for year 2013 are in arrears of 62% whilst accumulated claims on the Fund are in excess of Three Hundred Million Ghana Cedis (GH¢300,000,000.00). Outstanding unpaid accruals to the Fund also amount to Three Hundred and Forty-Three Million, Three Hundred and Fifty-Nine Thousand and Ninety-Nine Ghana Cedis, Fifty-Two Pesewas (GH¢343,359,099.52).

The Committee expressed grave concern about the irregular release of monies to the Fund which has resulted in a huge accumulation of claims from beneficiaries.

The Committee as a matter of urgency requests the Hon. Minister for Finance to release approved monies to the Fund to enable it meet its outstanding obligations.

4.2 **Projected Accruals for the 2014 fiscal year**

The Committee was informed that for the 2014 fiscal year, the total projected accruals from the 2.5% VAT receipts to the GETFund is ***Seven Hundred and Thirty-nine Million, Four hundred and Forty-seven Thousand, Twenty Four Ghana pesewas (GH¢ 739,447,000.24).***

Priority programmes and projects to be undertaken this year include the following:

- i. Construction of 200 Day Senior High Schools;
- ii. Provision of Basic Education Infrastructure (Schools Under Trees);
- iii. Construction of pipeline projects;
- iv. Promotion of ICT through E- Learning; and the
- v. Provision of scholarships.

The percentage distributions to the various sub-sectors of education and other related areas are as follows:

Tertiary	-	23.38%
Second Cycle	-	40.58%
Basic	-	16.97%
Others	-	16.97%
Contingencies	-	2.10%

4.3 Allocation to the Tertiary Sub-sector

The tertiary sub-sector has been allocated a sum of One Hundred and Seventy-Two Million, Nine Hundred Thousand Ghana Cedis (GH¢172,900,000.00) for the provision of infrastructure and facilities.

The Committee observed that special allocations have been made to the Colleges of Health Sciences: KNUST; the University of Ghana; University for Development Studies and the University of Cape Coast for the provision of infrastructure and facilities to facilitate teaching and learning.

The Committee was informed that an amount of Eight Million Ghana Cedis (GH¢8,000,000.00) has been allocated to the University of Health and Allied Sciences to commence the construction of a Science laboratory complex to train medical students and those in other allied health sciences. An amount of Five Million Ghana Cedis (GH¢5,000,000.00) has also been earmarked for ongoing construction works of the new public university in the Eastern Region. Furthermore, a provision of Three Million Ghana Cedis (GH¢3,000,000.00) has been made for the construction of academic facilities at the Dormaa Campus of the University of Energy and Natural Resources.

In fulfilment of Section 2(6) of Act 581, an amount of Twelve Million Ghana Cedis has been allocated for the administration of scholarships. The Committee noted that the phenomenon of irregular release of monies to the Fund has greatly affected the payment of fees and allowances of Ghanaian students on scholarship, pursuing post graduate studies abroad.

The Committee once again urges the Ministry of Finance to ensure the timely release of monies to the Fund for prompt disbursement to beneficiaries.

5.4 Allocation to Second Cycle

A sum of Three Hundred Million, Thirty-three Thousand Ghana Cedis, Forty-two pesewas (GH¢300,033,000.42) has been allocated to second cycle education.

In line with government's policy of increasing access and expanding facilities at the secondary level, an amount of Two Hundred and Twenty

One Million, Eight Hundred and Fifty Thousand Ghana Cedis (GH¢221,850,000.00) has been allocated for the construction of Community Day Senior High Schools in selected districts and communities. This amount represents 30% of the projected accrual to the Fund for year 2014.

The Administrator of the Fund informed the Committee that the GETFund Secretariat did not specify the number of schools to be constructed with the allocated amount because the Ministry of Education is currently working out the number of schools to be constructed with the amount.

The Committee also noted that a sum of Twenty-Two Million, One Hundred and Eighty-Three Thousand Ghana Cedis, Forty-two pesewas (GH¢22,183,000.42) has been allotted for the completion of projects such as classrooms, dormitories, kitchen/dinning halls and science laboratories to ease the pressure on the demand for classrooms, furniture, and other facilities.

The significant role of ICT in today's economy cannot be over emphasised. To this end, the Fund has allocated a sum of Thirty Million Ghana Cedis (GH¢30,000,000.00) to support the E-schools/ICT programme at the secondary level.

5.5 Allocation to Basic Level

The Committee noted that an amount of One Hundred and Twenty-Five Million, Five Hundred Thousand Ghana Cedis (GH¢125,500,000.00) has been earmarked for the provision of infrastructure and facilities at the basic level. Out this amount, Seventy-Five Million Ghana Cedis

(GH¢75,000,000.00) is to cater for the completion of ongoing projects under the Schools Under Trees Programme.

5.6 Vocational and Technical Education

As part of Government's effort at promoting vocational and technical education, an amount of Seven Million Ghana Cedis (GH¢7,000,000.00) has been allotted for the procurement of equipment and the rehabilitation of some Technical, Vocational Education and Training (TVET) institutions.

The Committee expressed the opinion that not much attention is being paid to vocational and technical training. The Committee was informed that quite a large number of vocational and technical institutions operate under the Ministry of Employment and Labour Relations while a considerable number of vocational and technical institutions are privately owned. However, the Minister for Education indicated that her Ministry through the Council for Technical and Vocational Education and Training (COTVET) provides some assistance to vocational and technical institutions. To give the needed attention to vocational and technical training, Hon. Members proposed that Act 581 should be amended to make adequate provision for vocational and technical training.

5.7 MPs Emergency Projects

Hon. Members were informed that a sum of Fifteen Million, Five Hundred and Fifty Thousand Ghana Cedis (GH¢15,550,000.00) has been proposed for Members of Parliament to undertake development projects and the monitoring of GETFund Projects in their Constituencies. Each Member is expected to receive a total amount of Forty-Eight Thousand Ghana Cedis

(GH¢48,000.00) for education related projects and Eight Thousand Ghana Cedis (GH¢ 8,000.00) for the monitoring of GETFund projects.

6.0 CONCLUSION

The Committee has examined the Distribution Formula for monies expected to accrue to the GETFund for year 2014 and is satisfied with the rationale for the proposed allocations. The Committee therefore recommends to the House to approve the Distribution Formula for an amount of ***Seven Hundred and Thirty-Nine Million, Four Hundred and Forty-seven Thousand Ghana Cedis, Twenty-four Pesewas (GH¢ 739,447,000.24)*** to be released to the GETFund Secretariat for distribution to the critical areas of the education sector.

Respectfully submitted


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HON. EBO BARTON-ODRO
FIRST DEPUTY SPEAKER


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JANET FRIMPONG
CLERK, COMMITTEE
ON EDUCATION