



## Ghana Education Trust Fund (GETFund)

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Our Ref: 351/01/23

Your Ref: .....

13 June, 2023

**Rt. Hon. Speaker of Parliament  
Office of Parliament  
Accra**

Through,  
**The Hon Minister  
Ministry of Education  
Accra**

Dear Sir,

### GETFUND DISTRIBUTION FORMULA FOR FISCAL YEAR 2023

It is our honour and privilege, to submit, on behalf of the Board of Trustees of the Ghana Education Trust Fund (GETFund) the attached **Distribution Formula** of monies expected to accrue to the GETFund for the year 2023.

Total expected inflows for the year as projected in the 2023 Budget Statement is **One Billion, Eight Hundred and Sixty-Nine Million, Five Hundred and Sixty-Three Thousand, Two Hundred and Eighty-One Ghana Cedis (Gh¢1,869,563,281)** and an additional **Gh¢303,000,000 (Three Hundred Million Ghana Cedis)** in deficit financing from the Ministry of Finance. The total amount disbursed is, therefore, **Gh¢2,169,563,281 (Two Billion, One Hundred and Sixty-Nine Million, Five Hundred and Sixty-Three Thousand, Two Hundred and Eighty-One Ghana Cedis)**

We request the kind approval of the **Distribution Formula** by this august House to facilitate the release and application of funds to the critical and strategic areas of the Education Sector in accordance with the provision(s) of the **GETFund Act, 2000 Act 581**.

We are confident that Parliament will be able to give approval to the Formula.

Sincerely

**Dr. Richard A. Boadi  
Administrator**



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## GETFUND DISTRIBUTION FORMULA FOR FISCAL YEAR 2023

### **1.0 Background**

The Ghana Education Trust Fund (**GETFund**) Act, 2000 Act 581 Section 8 provides that:

(1) “There shall be established by the Board within the **Fund** accounts in respect of the following:

- a. Tertiary Education
- b. Second-cycle Education
- c. Basic Education
- d. Investment
- e. Other related aspects of education such as distance education, school and public libraries and special education.

(2) The Board shall submit annually to Parliament for approval a formula for the distribution of monies to the various accounts under subsection (1) to design and submit proposals allocating funds to the **Sub-Sectors, Agencies and Institutions** within the **Public Education Sector** through the mechanism of a **Distribution Formula** for consideration and approval by Parliament.

The Law further stipulates that some crucial factors related to Education **delivery and development** are taken into account in the process of preparing this **Formula**.

These relevant factors are:

- promotion of the study of **Mathematics, Science and Technology**;
- advancement of **female** education;
- reduction in the **high level of illiteracy in historically disadvantaged** areas;
- promotion of **Computer, Vocational/Technical Education and Training**;
- equitable allocation of funds to the Districts at the Pre-Tertiary level of education.

All of these Sub-Sectors, together with the related critical factors received consideration and attention in the process of designing this Formula.

In this regard therefore, the structure of spending has been calibrated to support and achieve the following:

- expansion of **access**;
- improvement of **quality**; and
- closing of those **social** and **spatial** gaps that tend to generate inequities in the Education Sector, especially at the pre-tertiary level and, also in deprived and hard to reach communities.

Funding allocations are made based on the Government's **Annual Budget Statement and Economic Policy** approved by Parliament for each fiscal year. This allocation is made in accordance with the GETFund Act 2000, Act 581 as amended by Act 972, and the Earmarked Funds Capping and Realignment Act 2017, Act 947.

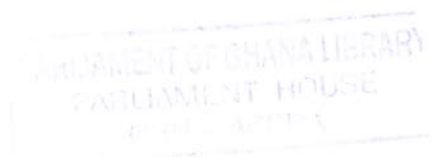
## **1.2 2022 Performance Review**

### **1.2.1 GETFund Levy**

Mr. Chairman, an amount of **Two Billion, Six Hundred Million, Eight Hundred and Two Thousand, Two Hundred and Seventy-Five Ghana Cedis (Gh¢2,600,802,275)** was allocated to the GETFund for the 2022 fiscal year.

Mr. Chairman, out of this amount approved by Parliament, the actual amount released (accrued) was **One Billion, Nine Hundred and Eighty-One Million, One Hundred and Twelve Thousand Ghana Cedis (Gh¢1,981,112,000)** giving a shortfall of **Six Hundred and Nineteen Million, Six Hundred and Ninety Thousand Ghana Cedis (Gh¢619,690,000)**.

Table 1 shows details of amounts received during the year.



**Table 1. Status of 2022 Releases From CAGD**

<b>PERIOD</b>	<b>AMOUNT DUE</b>	<b>AMOUNT RECEIVED</b>	<b>AMOUNT OUTSTANDING</b>
2016 Balance B/F	57,425,808.00		57,425,808.00
2021 Balance B/F	747,783,206.00	747,783,206.00	-
2022 Actual	1,981,112,045.00	1,066,693,177.30	914,418,867.70
<b>TOTAL</b>	<b>2,786,321,059.00</b>	<b>1,814,476,383.30</b>	<b>971,844,675.70</b>

A total amount of **One Billion, Eight Hundred and Fourteen million, Four Hundred and Seventy-Six Thousand, Three Hundred and Eighty-Three Ghana Cedis, Thirty Peswas (Gh¢1,814,476,383.30)** was received in the 2022 fiscal year as shown above in table 1. Out of this amount, only **Seven Hundred and Ninety Million Ghana Cedis (Gh¢790,000,000)** was transferred to GETFund bank account. The rest was in respect of debt service.

### **1.2.2 Proceeds From Bond Programme**

An amount of One Billion, One Hundred Million Ghana Cedis (**Gh¢1,100,000,000**) was projected to accrue from the Daakye Bond Programme to provide additional funds during the year 2022

Inflows from Daakye bonds amounted to **Gh¢914 million bringing total inflows** for the year to **Gh¢2,728 billion** as per the breakdown below:

- i. Amount received from budgetary allocation **Gh¢1,814,476,383.30**
- ii. Amount received from Daakye Bond Proceeds **Gh¢913,663,971.70**

One of the major strategies of the 2022 Distribution Formula was the completion of on-going projects within the various sub sectors of Education across the country. This could not be fulfilled because of the funding challenges faced during the year.

### 1.2.3 Disbursement of Funds

The combined amount of **Gh¢2,728 billion** was disbursed as shown in table 2. below.

**Table 2. Summary of Disbursement as at 31<sup>st</sup> December 2022**

SECTOR	LEVY	BOND	TOTAL
Debt Service	1,066,693,177.56	-	1,066,693,177.56
Tertiary	213,061,926.03	221,700,341.42	432,762,267.45
Second Cycle	332,721,577.47	618,244,902.42	930,966,479.89
Basic	104,793,682.81	73,718,727.86	178,512,410.67
Others	65,334,587.38	-	65,334,587.38
GETFund Admin.	52,424,173.00	-	52,424,173.00
<b>Total</b>	<b>1,813,029,124.25</b>	<b>913,663,971.70</b>	<b>2,726,693,095.95</b>

Table 3 below shows total outstanding liabilities as at 31<sup>st</sup> December 2022

**Table 3. Liabilities**

	Tertiary	Second Cycle	Basic	Others	Total
Old Projects	91,276,066	164,347,726	63,692,710	106,164,406	425,480,909
New Projects	-	37,960,235	180,980,381	449,405	219,390,311
<b>Total</b>	<b>91,276,066</b>	<b>202,307,962</b>	<b>244,673,380</b>	<b>106,613,811</b>	<b>644,871,220</b>

For the year 2022, some of the projects and programmes funded and which are at various stages of completion include:

- Construction and completion of academic facilities in the various public tertiary institutions;
- Construction and rehabilitation of Dormitories, Classrooms, Dining Halls and other facilities at various Senior High Schools;
- Supply of classroom furniture as well as beds and mattresses to various schools;
- Sponsorship of students to pursue various programmes both locally and abroad.

#### 1.2.4 Projects

A total of 2,405 projects were completed by 31<sup>st</sup> December 2022 as shown in table 4 below. This was made possible as a result of the disbursements of the bond proceeds and the enhanced monitoring activities undertaken.

**Table 4: Completed Projects as at 31<sup>st</sup> December 2022**

<b>SUB SECTOR</b>	<b>PRE 2017</b>	<b>2017 TO DATE</b>	<b>TOTAL</b>
Tertiary	159	0	<b>159</b>
Second Cycle	535	519	<b>1,054</b>
E-Blocks	22	14	<b>36</b>
Model Schools	-	2	<b>2</b>
TVET Centers	-	2	<b>2</b>
Basic	729	423	<b>1,152</b>
<b>Total</b>	<b>1,344</b>	<b>913</b>	<b>2,405</b>

#### 1.2.5 Scholarships

For the year 2022 the following scholarships were awarded to eligible applicants to pursue their studies in various institutions locally. No scholarships were awarded for students to study abroad due to budgetary constraints. Please find details in the table below.

**Table 5: Scholarships Awarded in 2022**

<b>Programme Category</b>	<b>Local</b>	<b>Foreign</b>	<b>Total</b>
Doctorate	239		<b>239</b>
Masters	1,262		<b>1,262</b>
Undergraduate	1,337		<b>1,337</b>
Others	105		<b>105</b>
<b>Total</b>	<b>2,704</b>		<b>2,704</b>

## 2.0. FISCAL YEAR 2023

For the fiscal year 2023, an amount of **One Billion, Eight Hundred and Sixty-Nine Million, Five Hundred and Sixty-Three Thousand, Two Hundred and Eighty-One Ghana Cedis (Gh¢1,869,563,281)** was allocated to the Fund, a **reduction of over 28% compared to that of 2022**. However, an additional amount of **Gh¢300,000,000** is expected to be made available through the realignment of funds to execute Government policy mainly at the second cycle level. **This brings the total amount disbursed to Gh¢2,169,563,281**. The structure of spending in this Formula is aligned to the Education Sector Priority Projects and Programmes.

Before distributing funds to the various sub-sectors, a provision of **Gh¢545,202,000** or **25.13%** of total spending is **made for the servicing of debt (Bond Programme Gh¢463,730,000 and Syndicated Loans residue Gh¢81,472,000)**. This allocation takes account of a downward revision of the receivables assignment which reduces the Daakye debt service commitment from **Gh¢1,112,960,392 to Gh¢463,730,000** for 2023 on account of the Domestic Debt Exchange Programme (DDEP).

Mr. Chairman, commitments arising from the 2022 Distribution Formula approved by Parliament but which could not be realized (revenue shortfall) amounting to **Gh¢619.69 million (representing 28.56% of budget)** has been catered for before the distribution of funds. Details can be found on appendix iii.

Mr. Chairman, **the Board in 2022 took a bold decision to tackle the problem of uncompleted projects dotted around the country across the various subsectors of education. The target was to achieve 80% completion rate in three years.** This was to be achieved through a funding mix of bonds and GETFund Levy allocations.

Mr. Chairman, the Domestic Debt Exchange Programme (DDEP) undertaken by Government has effectively truncated the Daakye Bond Programme which provided additional funds for infrastructure development.

Table 6 shows the current status of the bonds outstanding after the DDEP.

**Table 6. Bonds Outstanding**

Company	Total Bonds in Register	Total Bonds Exchanged	Outstanding Bonds
	Gh¢	Gh¢	Gh¢
Daakye Trust Plc	2,622,531,961.00	1,358,016,281.00	1,264,515,680.00
Percentage (%)	100	51.78	48.22

The remaining bonds outstanding are expected to be exchanged within the shortest possible time.

The ambitious goal of completing abandoned projects therefore cannot be achieved within the three year time frame. Cost escalation as a result of rapid increase in prices due to the depreciation of the Cedi against the major foreign currencies coupled with high interest rates continue to impact negatively on project costs.

The Board will however, continue to allocate funds towards completion of these projects. Appendix ii shows the total commitments of the Fund amounting to **Gh¢6.784 billion** as well as the amount contained in the Formula of **Gh¢800 million** even though actual amount required for 2023 commitments is **Gh¢3.028 billion**

## **2.1. SUB-SECTORAL ALLOCATION**

### **2.1.1 Tertiary**

Tertiary Sub-Sector has been allocated **7.84% (Gh¢170 million)** of total expected inflow from the National Budget for 2023 to support a range of activities and interventions. This is in addition to **Gh¢346.7 million** captured within the 2022 shortfall detailed in Appendix iii.

Mr. Chairman, to cater for continuing students under the GETFund scholarship and the award of new sponsorships for students to pursue various programmes locally, an amount of **Gh¢75 million** has been allocated for 2023.

The details of tertiary allocations can be found on appendix I.



### ***2.1.2 Secondary Education***

This Sub-Sector has also been allocated **28.44% (Gh¢617 million)** of total spending from the budget. An additional amount of **Gh¢97.39 million** will be spent from the 2022 shortfall amount detailed in Appendix iii

**Mr. Chairman, of particular significance is the allocation of 25.35% or Gh¢550 million for the digitisation of teaching and learning systems for SHS and TVET students. This entails the provision of tablets fully loaded with all recommended e-textbooks, the full syllabus, past questions and examiner reports as well as other teaching aids. The intention is to reduce the cost of procuring textbooks and to prepare students for the ICT driven world. These tablets are cloud based making it easy for updates to be effected and come with solar pack to enable easy charging irrespective of location.**

Details of second cycle allocations can be found in appendix I.

### ***2.1.3 Basic Education***

A total allocation of **4.08% (Gh¢88.5 million)** of total projected spending from the budget has been made for funding various projects and programs in Basic Education mostly for the procurement of Basic Education textbooks. An additional amount of **Gh¢131.2 million** of spending is expected from the 2022 shortfall recovery outlined in Appendix iii

### ***2.1.4 Others***

A total of **4.5% (Gh¢97.54 million)** of total projected spending has been allocated to the Ministry of Education and **Institutions** and **Agencies** within the Education Sector. This includes allocations for the GETFund operations, Youth Employment Agency, and the Scholarship Secretariat. An amount of **Gh¢39.3 million** of the 2022 commitments as detailed in Appendix iii will also be spent this fiscal year.

### ***2.1.5 MP's Emergency Projects and Monitoring***

It is proposed that members of Parliament will receive support from the **Fund** to enable them undertake projects in their constituencies and, also, monitor projects in their various constituencies. For this year, an amount of **Thirty-One Million, Six Hundred and Twenty-Five Thousand Ghana Cedis (Gh¢31,625,000)** representing **1.46%** of total spending has been allocated for that purpose.

The specifics are:

- An allocation of **One Hundred Thousand Cedis (Gh¢70,000)** per member of Parliament for the funding of Education-related projects in their constituencies, amounting to **Nineteen Million, Two Hundred and Fifty Thousand Ghana Cedis (Gh¢19,250,000)**; and
- An allocation of **Forty-Five Thousand Ghana Cedis (Gh¢45,000)** per Member of Parliament for monitoring of these projects, amounting to **Twelve Million, Three Hundred and Seventy-Five Thousand Ghana Cedis (Gh¢12,375,000)**.

The total amount distributed is **Two Billion, One Hundred and Sixty Nine Million, Five Hundred and Sixty-Three Thousand Ghana Cedis (Gh¢2,169,563,000)**, giving a deficit of **Three Hundred Million Ghana Cedis (Gh¢300,000,000)**. The Minister for Finance committed to providing this amount at a meeting with the Minister of Education and the GETFund Administrator on Wednesday, 7<sup>th</sup> June 2023. It is on the basis of this understanding that we present this formula to the House.

PARLIAMENTARY SECRETARY  
PARLIAMENT HOUSE  
OSU - ACCRA

### 3.0. CONCLUSION

In conclusion the **Board** would like to express its profound gratitude to Honourable members for the support given over the years. It is hoped that the cordial relationship between the **Fund** and this August House will get stronger and better.

Mr. Chairman, I wish, therefore, to kindly request this Honourable House to approve the Distribution Formula for the Fiscal year 2023 as presented.

Thank you.

A handwritten signature in black ink, appearing to read 'Dr. Richard A. Boadu'. The signature is stylized with a large, sweeping initial 'R' and a distinct 'B' at the end.

**Dr. Richard A. Boadu**  
**Administrator**

## APPENDIX I

## DISTRIBUTION FORMULA - GETFUND 2023

	2023		2022	
	(GH¢' 000)	%	(GH¢' 000)	%
Revenue Allocation from MOF	1,869,563		2,600,802	
<b>SUB-SECTOR ALLOCATION</b>				
<b>LONG TERM LOAN FACILITY</b>				
Debt Service Account	545,202	25.13	1,017,743	39.13
	545,202	25.13	1,017,743	39.13
<b>SHORTFALL RECOVERY</b>				
Recovery of 2022 shortfall	619,690	28.56	18,920	0.73
Recovery of Discount on MOF Release Through Bond	-		4,804	0.18
	619,690	28.56	23,724	0.91
<b>TERTIARY EDUCATION</b>				
Completion of Tertiary On going Projects		-	180,000	6.92
Academic Facilities & Infrastructure - Priority/New	35,000	1.61	80,000	3.08
Upgrade of TVET Workshops - Technical Universities	-	-	100,000	3.84
Scholarships	75,000	3.46	100,000	3.84
Students Loan Trust	15,000	0.69	50,000	1.92
Faculty Development & Research	10,000	0.46	12,000	0.46
Innovation Fund		-	1,000	0.04
Special Interventions - 46 Hostels in Colleges of Education	20,000	0.92		
Special Interventions - 5 Hostels /SPI	15,000	0.69	23,000	0.88
<b>Sub-total</b>	<b>170,000</b>	<b>7.84</b>	<b>546,000</b>	<b>20.99</b>
<b>SECOND CYCLE EDUCATION</b>				
Completion of SHS On going Projects		-	100,000	3.84
New SHS Targeted & Emergency Projects,	-	-	60,000	2.31
Completion of Community Day SHS	-	-	46,588	1.79
Rehabilitation of Dilapidated Structures	-	-	10,000	0.38
Model Schools		-		
SHS Laboratory Equipment	30,000	1.38		
Motor Vehicles - Exchange Difference	5,000	0.23		
TVET Centres	25,002	1.15		
Furniture for SHS Other Structures	7,000	0.32	50,000	1.92
Furniture for SHS - Model Schools		-	25,000	0.96
Fencing of SHS		-	10,004	0.39
Boheholes for SHS		-	2,500	0.10
Science Technology Engineering & Mathematics (STEM)/AIMS/IEPA		-	2,500	0.10
Laptops for Teachers		-	90,000	3.46
Special SHS/TVET Digitalisation(Innovation) Programme	550,000	25.35	100,000	3.84
Second Cycle Contingencies	-		-	-
<b>Sub-total</b>	<b>617,002</b>	<b>28.44</b>	<b>496,592</b>	<b>19.09</b>
<b>BASIC EDUCATION</b>				
Ongoing Basic School Projects		-	80,000	3.08
New Basic School Projects		-	50,000	1.92

Construction of KG Classrooms		-	20,000	0.77
Textbooks	85,000	3.92	8,000	0.31
Furniture for Basic Schools		-	30,000	1.15
ICT in Early Childhood Education		-		
White Boards for Basic Schools	-	-	40,000	1.54
Laptops For Teachers		-	73,800	2.84
Fencing of Schools		-	-	-
Water and sanitation for Schools (Boreholes & Toilets)		-	1,000	0.04
Institutions of the Handicapped		-	3,000	0.11
Rehabilitation of Dilapidated Structures		-	20,000	0.77
Promotion of French	2,000	0.09	-	-
Special Programs to promote Girl Child Education and Mat	1,500	0.07	-	-
Basic Education Contingencies including Communication		-	-	-
<b>Sub-total</b>	<b>88,500</b>	<b>4.08</b>	<b>325,800</b>	<b>12.53</b>
<b>OTHERS</b>				
MOE and Subvented Agencies	10,000	0.46	30,000	1.15
Scholarship Secretariat	3,000	0.14	7,000	0.27
Construction of GETFund Office Building	20,000	0.92	17,000	0.65
GETFund Operational and Monitoring Costs	57,544	2.65	55,067	2.12
Youth Employment Agency	5,000	0.23	32,000	1.23
Investment	-	-	6,502	0.25
Contingencies	2,000	0.09	3,500	0.14
<b>Sub-total</b>	<b>97,544</b>	<b>4.50</b>	<b>151,069</b>	<b>5.81</b>
<b>MEMBERS OF PARLIAMENT</b>				
MPs Emergency Projects	19,250	0.89	27,500	1.06
MPs Monitoring	12,375	0.57	12,375	0.47
<b>Sub-total</b>	<b>31,625</b>	<b>1.46</b>	<b>39,875</b>	<b>1.53</b>
<b>GRAND TOTAL</b>	<b>2,169,563</b>	<b>100</b>	<b>2,600,802</b>	<b>100</b>

<b>FUNDING GAP</b>	<b>(300,000)</b>
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**APPENDIX II. COMMITMENTS**

ITEM	DETAILS	UNITS/NO	TOTAL COMMITMENT	2023 COMMITMENT	2023 DF PROV.
1	Completion of on-going projects:				
1A	Tertiary - General	370	758,423,256	151,684,651	-
	Hostels - COE	46	598,000,000	119,600,000	20,000,000
	Hostels - Special Intervention	5	228,800,000	45,760,000	10,000,000
1B	Second Cycle - General	1,484	1,479,373,615	295,874,723	-
	E-Blocks	38	442,080,882	188,485,915	-
	Model schools	9	266,951,845	266,951,845	-
1C	Basic	1,841	657,209,740	131,441,984	-
2	Special SHS/TVET Digitalisation (Innovation) Programme	450,000	1,487,500,000	1,106,270,000	550,000,000
3	TLMS (Basic) Textbooks	Various	206,000,000	200,000,000	85,000,000
4	TVET Equipment	Various	200,000,000	100,000,000	-
5	TVET Centres	3	115,108,000	115,108,000	25,002,000
6	Price fluctuation on Motor Vehicles		72,000,000	35,000,000	5,000,000
7	SHS Laboratory Equipment	Various	110,500,000	110,500,000	30,000,000
8	ICT into Early Childhood Education		37,100,000	37,100,000	-
9	Students Loan Trust Fund		50,000,000	50,000,000	15,000,000
10	Scholarships		75,000,000	75,000,000	75,000,000
	<b>TOTAL</b>		<b>6,784,047,338</b>	<b>3,028,777,118</b>	<b>815,002,000</b>

PARLIAMENT HOUSE  
 2023-2024

**APPENDIX III BREAKDOWN OF 2022 SHORTFALL 2022 (PENDING COMMITMENT)**

<b>SUB-SECTORS</b>	<b>2022 Allocation</b>	<b>UTILIZED IN 2022</b>	<b>REQUIRED IN 2023 (COMMITMENT)</b>	
	<b>(GH¢' 000)</b>	<b>(GH¢' 000)</b>	<b>(GH¢' 000)</b>	
<b>TERTIARY EDUCATION</b>				
Completion of Tertiary On going Projects	180,000	91,276	88,724	Committed
Academic Facilities & Infrastructure - Priority/New	80,000	-	80,000	Contract Awarded
Upgrade of TVET Workshops - Technical Universities	100,000	-	100,000	Contract Awarded
Scholarships	100,000	82,000	18,000	Committed
Students Loan Trust	50,000	25,000	25,000	Committed
Faculty Development & Research	12,000		12,000	Committed
Special Interventions	23,000		23,000	Contract Awarded
<b>Sub-total</b>	<b>545,000</b>		<b>346,724</b>	
<b>SECOND CYCLE EDUCATION</b>				
Completion of Community Day SHS	46,588	11,697.00	34,890.50	34,890.50
New SHS Targeted & Emergency Projects,	60,000	-	60,000	Contracts awarded
Boheholes for SHS	2,500	-	2,500	
<b>Sub-total</b>			<b>97,391</b>	
<b>BASIC EDUCATION</b>				
Completion of SHS Ongoing Projects	80,000	19,800	60,200	Committed
New Basic School Projects	50,000	-	50,000	Contracts awarded
Construction of KG Classrooms	20,000	-	20,000	Contracts awarded
Water and sanitation for Schools (Boreholes & Toilets)	1,000	-	1,000	
<b>Sub-total</b>	<b>151,000</b>		<b>131,200</b>	
<b>OTHERS</b>				
MOE and Subvented Agencies	30,000	14,700	15,300	Committed
Youth Employment Agency	32,000	8,000	24,000	Committed
<b>Sub-total</b>	<b>62,000</b>		<b>39,300</b>	
<b>Members of Parliament</b>	<b>39,875</b>	<b>34,800</b>	<b>5,075</b>	Committed
<b>GRAND TOTAL</b>			<b>619,690</b>	