

**REPORT OF THE COMMITTEE OF THE WHOLE ON THE PROPOSED
FORMULA FOR THE DISTRIBUTION OF THE GHANA EDUCATION TRUST
FUND FOR THE YEAR 2016**

1.0 INTRODUCTION

1.1 In accordance with the provisions of section 8 (2) of the Ghana Education Trust Fund Act, 2000, (Act 581) the Distribution Formula for monies expected to accrue to the Ghana Education Trust Fund (GETFund) for year 2016 was laid in Parliament on Wednesday, 16th March 2016 and referred to the Committee of the Whole for consideration and report.

1.2 Subsequently, the Committee met on Thursday, 17th March 2016 and considered the referral.

The Committee expresses its appreciation to the Hon. Deputy Minister for Education, Mr. Alex Kyeremeh and the GETFund Administrator, Mr. Sam Garba for providing clarifications on the proposed Formula.

2.0 REFERENCES

The Committee in preparing its Report made reference 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;
- iii. The Formula for the Distribution of Proceeds of the GETFund for year 2015;
- iv. The Formula for the Distribution of Proceeds of the GETFund for year 2016; and
- v. 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 is required to submit annually 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 The 2016 Formula for the distribution of the Fund, according to the Board, was informed by the following principles, as contained in Section 8 (3) of Act 581:

- 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 2015

4.1.1 The Committee was informed that out of an amount of Eight Hundred and Forty-three Million, Eight Hundred and Ninety-nine Thousand Ghana cedis, Twenty-

two pesewas (GH¢843,899,000.22) approved for the Fund for year 2015, Seven Hundred and Fifty-seven Million, Eight Hundred and Seventy-Seven Thousand, One hundred and Thirty-four Ghana Cedis, Sixty-eight pesewas (GH¢757,877,134.68) representing 89.8% of the total approved funds had been released as at the end of the year 2015. This is an improvement in the overall disbursement of funds as compared to the payment of 35% in year 2013 and 45% in year 2014.

4.1.2 The Committee noted that an amount of GH¢217,251,329.93 in respect of the accruals to GETFund for the last quarter of 2014 remains outstanding. The Committee expressed concern that delays in the payment of accruals to GETFund affect the timetable for implementation of projects and eventually increase project cost. The Administrator of the Fund informed the Committee that the Ministry of Finance has assured GETFund that it would redeem its 2014 arrears in the last quarter of 2016 and also ensure timely release of 2016 accruals to the GETfund. The Committee urges the Ministry of Finance to fulfill its promise to GETFund to enable it meet its obligations.

4.2 **Projected Accruals for the 2016 fiscal year**

The total projected accruals from the 2.5% VAT receipts to the GETFund for year 2016 is *One Billion, Twenty-one Million, Five Hundred Thousand Ghana Cedis (GH¢1,021,500,000.00)*. This represents a significant increase of 21% over last year's approved amount of GH¢843, 899,000.22.

4.2.1 Programmes and Projects to be undertaken in line with priorities of the education sector for year 2016 include the following:

- i. Provision of KG infrastructure and learning materials
- ii. Provision of Basic Education Infrastructure (Schools Under Trees)
- iii. Construction of Community Day Secondary School

- iv. Allocation of funds to Student Loans Trust Funds
- v. Completion of ongoing projects and facilities in the Colleges of Education
- vi. Conversion of polytechnics into technical universities; and
- vii. Promotion of ICT through E- Learning.

4.2.2 The percentage distribution per the various sub-sectors of education and other related areas are as follows:

Tertiary	-	31.16%
Second Cycle	-	39.32%
Basic	-	23.6%
Others	-	4.15%
Contingencies	-	1.77%

4.3 Allocation to the Tertiary Sub-sector

4.3.1 The tertiary sub-sector has been allocated an amount of Three Hundred and Eighteen Million, Two Hundred and Ninety-one Thousand Ghana Cedis (GH¢318,291,000.00). This constitutes 31.16% of total projected inflows for year 2016.

4.3.2 An amount of GH¢97,532,000.00 has been earmarked for Colleges of Education. The Committee noted that some priority has been given Colleges of Education to enable them complete ongoing infrastructural projects to accommodate the surge in admissions following ongoing reforms.

4.3.3. In spite of the high demand for health professionals, the medical schools are able to admit only few qualified applicants due to limited facilities. In a bid to expand facilities for training of more healthcare providers, an amount of GH¢8,000,000.00 has been provided for the completion of the Teaching Hospital project at the

Kwame Nkrumah University of Science and Technology (KNUST). In addition, the medical schools of the University of Cape Coast (UCC), University of Development Studies (UDS) and the School of Pharmacy of the University of Health and Allied Sciences (UHAS) have been provided a total of GH¢12,000,000.00 to improve facilities for teaching and learning.

4.3.4 The Committee noted that an amount of GH¢12,000,000 has been set aside to facilitate the process of converting six (6) polytechnics, which have met the eligibility criteria, into technical universities.

4.3.5 The allocation to the newly established universities was considered to be generally inadequate, given the infrastructural requirements and the fact that they currently lack adequate capacity to generate the requisite resources on their own to fund their programmes. The Committee advised that in pursuance of the policy of placing more emphasis on science and mathematics, there is the need for GETFund to prioritize its allocations to these newly established universities which are basically science oriented institutions.

4.4 Allocation to Second Cycle

4.4.1 An amount of Four Hundred and One Million, Six Hundred and Forty-six Thousand Ghana Cedis (GH¢401,646,000.00) representing 39.32% of the expected accruals to the Fund has been provided for second cycle education.

4.4.2 In line with Government's policy of expanding access at the secondary education level, GH¢95,632,000.00 out the total allocation to the second cycle has been allocated for the completion of ongoing Community Day SHS projects and execution of the next phase of the project. The Committee observed that the project was not being delivered on schedule and expressed the need to expedite action on the execution of the project.

4.4.3 The Committee noted that an amount of GH¢58,224,000.00 and GH¢71,911,000.00 has been allocated for the Progressively Free SHS Policy and provision of scholarships to needy but brilliant students respectively. In addition, allocations have been made for the provision of various facilities such as classrooms, dormitories, libraries and science laboratories with the view to expanding access to secondary level education.

4.5 Allocation to Basic Level

4.5.1 An amount of Two Hundred and Forty-one Million, One Hundred Thousand Ghana Cedis (GH¢241,100,000.00) representing 23.6% of the total accruals for year 2016 has been earmarked for projects and programmes at the basic level.

4.5.2 It is worth noting that the critical formative years of the child's development is at the basic level and therefore much attention ought to be given to basic education. However, the pattern of allocation suggests that much needs to be done for basic education. For instance, whilst the tertiary level received 31.15%, second cycle was given 39.32%, with basic education receiving 23.60%. The Committee expressed the view that GETFund should pay more attention to basic education by providing adequate resources for critical infrastructure and learning materials.

4.6 MPs Emergency Projects

The GETFund has proposed a total amount of Eighteen Million, Seventy-five Thousand Ghana Cedis (GH¢18,075,000.00) for Members of Parliament to undertake development projects and monitoring of GETFund Projects in their Constituencies. An amount of GH¢53,000.00 is provided for individual MPs for

education related projects, while GH¢12,000.00 is dedicated for the monitoring of the projects.

4.7 Scope of GETFund Projects

The Committee noted that GETFund is increasingly taking on board many programmes and projects under its funding. This, the Committee observed has led to a situation where the Fund is thinly spread across many projects/programmes making it difficult to prioritise for better outcomes.

5.0 CONCLUSION

Following the consideration of the Distribution Formula for monies expected to accrue to the GETFund for year 2016, the Committee observed that the formula for distribution will go a long way to support critical programmes and projects for the development of education in the country. In this regard, the Committee urges the Ministry of Finance to make timely payments of accruals, to enable GETfund meet its obligations.

The Committee recommends that the House approves the GETFund Distribution Formula for an amount of *One Billion, Twenty-one Million, Five Hundred Thousand Ghana Cedis* (GH¢1,021,500,000.00) to enable the GETFund Secretariat distribute same to the critical areas of the education sector.

Respectfully submitted


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HON JOE GHARNEY
SECOND DEPUTY SPEAKER


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JANET FRIMPONG
CLERK TO COMMITTEE ON EDUCATION