

Presentation to Parliament Post Budget Workshop 2016 Budget and the Education Sector



19th November, 2015

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Presentation Outline

- ❑ Education budget analysis
 - ❑ Analysis of the implementation of the 2015 budget related to the sector
 - ❑ Review of the 2014 and 2015 budget trends
 - ❑ Performance in the sector
 - ❑ 2016 Budget: key issues/ challenging questions
 - ❑ Strengths and weaknesses of the proposed 2016 budget
 - ❑ Policy alignment and focus (Budget Gaps)
- Recommendations to Parliament

Education Budget Analysis

- Nine pts. for critiquing the budget:
 1. What % is education taking as **proportion of GDP** and total government spending...driver of economic development....
 2. What % of the budget is being used across the **various subsectors** (ensuring focus at primary level and basic education...)
 3. Proportion of the budget for Compensation/PE (wages and salaries) related to other budget items (goods services, capital expenditure/assets)
 4. What measures are being put in place in order to manage the wage bill and reduce tendency to “crowding out” of other essential services in the education sector...

Education Budget analysis Cont'd

5. How does the education budget **support strategic needs** of the Ghanaian economy in particular improving quality and learning outcomes at basic level ...
6. How is the budget **ensuring cost effectiveness** and efficiency of the labor force and in relation to spending;
7. How is the **budget linked to the priorities** and needs of the Education Strategic Plan (2010-2020) and the Ghana Shared Growth Development strategy...MDG attainment.
8. How does the **budget address equity** including gender: regional inequity, and across sub sectors...targeting of social Interventions;
9. Targeting/ scale of social interventions

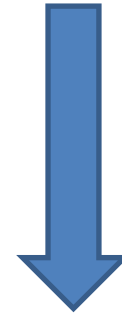
Education budget drivers

- Education Strategic Plan (2010-2020)
- Education Sector Medium Term Development Plan (2014-2017)
- National Education Sector Annual Review (NESAR 2015)
- National Medium Term Development Policy Framework (GSGDA II)
- Government Promises (e.g. 200 SHS constructed).

- Analysis of the 2015 education budget implementation--- efficiency and effectiveness

Expenditure Trends in 2014 and 2015...

- Primary Expenditure (22.8% - 22.0%),
 - JHS Expenditure (17% - 16.1%),
 - Tertiary (19% - 16.2%)
- SHS (18% - 22.4%)
- Continued Overspending particularly on compensation/PE
- Very limited expenditures for services and capital expenditure (Assets)---



Analysis of Variance between proposed allocation and the actual expenditure (2014)

Item	Budget Head	Ministry	GES	Tertiary	Total
Compensation	Allocation	405,682,115	3,058,006,340	923,374,018	4,387,062,473
	Expenditure	390,063,546	3,936,076,817	788,115,936	5,114,256,299
	% Execution	96.2%	128.7%	85.4%	116.6%
Variance		8.8%↓	28.7%↑	14.6%↓	16.6%↑
Goods and Services	Allocation	15,757,905	138,338,936	12,000,000	166,096,841
	Expenditure	3,049,678	102,695,202	15,771,579	121,516,459
	% Execution	19.4%	74.2%	131.4%	73.2%
Variance		80.6%↓	25.8%↓	31.4%↑	26.8%↓
Asset	Allocation	2,911,201	2,986,865	1,770,000	7,668,066
	Expenditure	-	159,781	-	159,781
	% Execution	0.0%	5.3%	0.0%	2.1%
Variance		100%↓	94.7%↓	100%↓	97.9%↓
Total	Allocation	424,351,221	3,199,332,141	937,144,018	4,560,827,380
	Expenditure	393,113,225	4,038,931,799	803,887,515	5,235,932,539
	% Execution	92.6%	126.2%	85.8%	114.8%
Variance		7.4%↓	26.2%↑	14.2%↓	14.8%↑

Over expenditure on the Compensation/PE

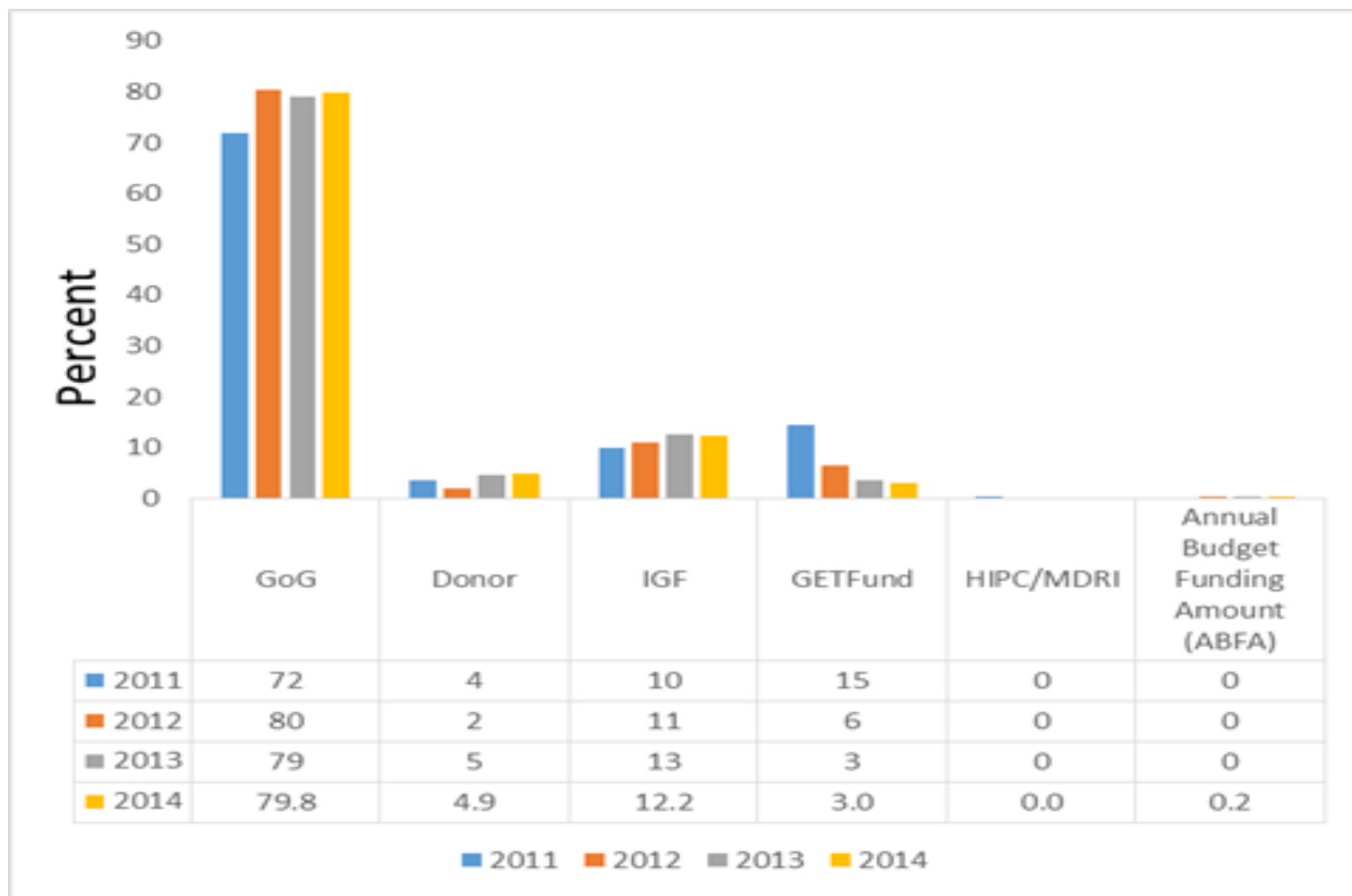
- Education expenditures exceeded the 2014 approved budget by 14.8%.
- Overspending on Compensation/PE in 2014 was 16.6%.
- **Question: how do we come up with a realistic budget managing the wage bill and ensure support for services and Capital Expenditures?.**
- **Cost efficient solutions (UTDBE, reduced training costs, strategic resource allocation and focus on evidence based solutions)**

Execution rates of the Education Budget (2014)

- ⇒ There was an over spending across all the sectors...
 - ⇒GES overspent by 26.2%
 - ⇒MOE spent an excess of 33% in 2013 but underspent by 7.4% in 2014...(non release of funds?)
 - ⇒Tertiary underspent by 14.2%....
- ⇒ Total spending was 114.8% of what was allocated...(an excess of **14.8%**).
- ⇒ The over expenditure comes from compensation/PE, which was allocated **GHS 4.4 billion but spent GHS 5.1 billion**
- ⇒*Question: how do we come up with a realistic budget and ensure support for services and Capital Expenditure?..*

Trends in Actual Education Expenditure by Sponsor

(Source: ESPR, 2015)

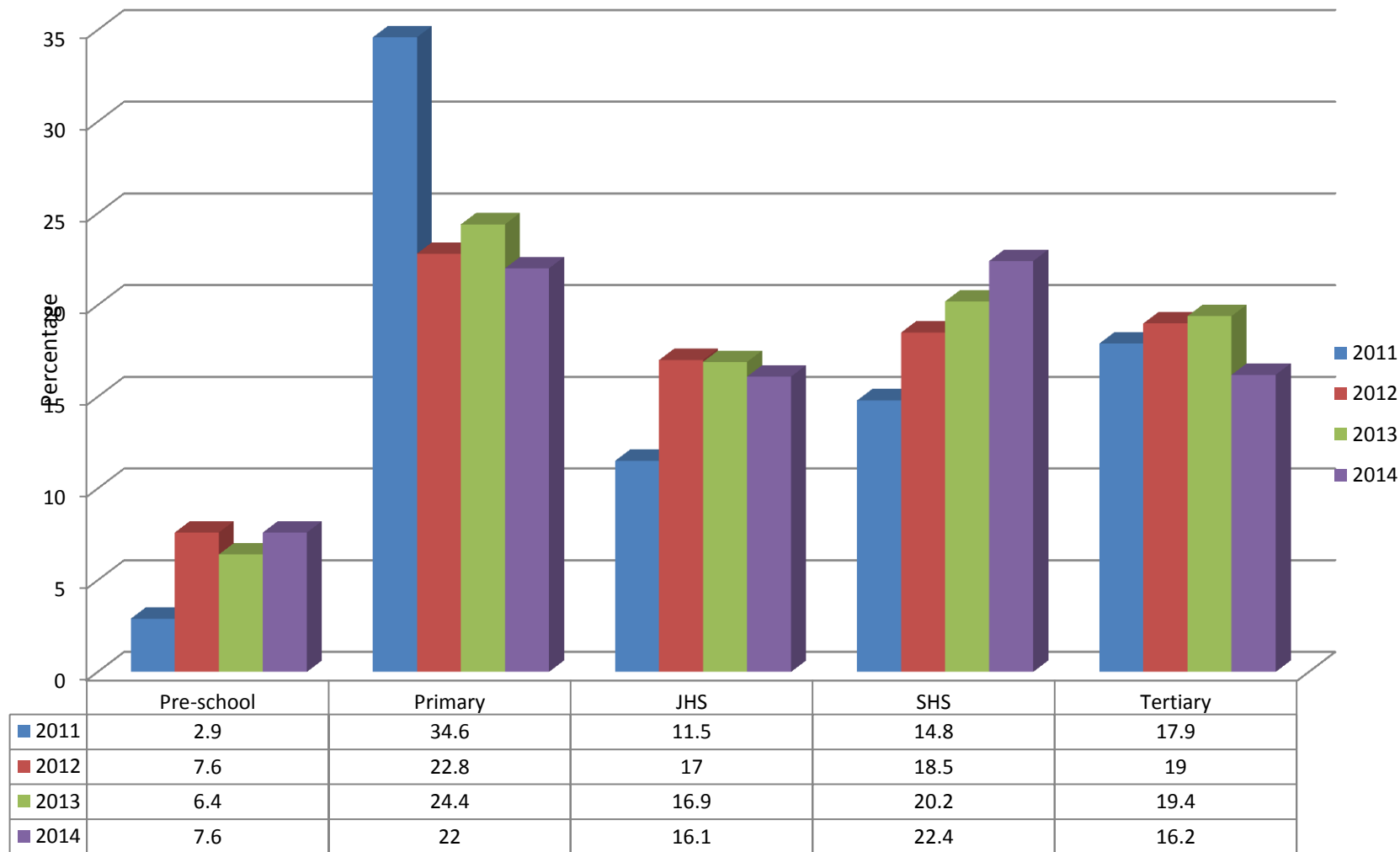


Trends in sponsorship of the education budget

- GoG has been increasing as the primary/ major sponsor of education budget... 72% of the actual expenditure (2011) increased to 79.8% (2014)
- **GETFund** has consistently **declined** as a major sponsor over the past 4 years...15.5% (2011) to 3.0% in (2014)
- The use of **IGF** to fund actual education expenditure has been increasing and is now the second highest source of funding.... **rising** from 10% (2011) to 13% (2013) and slightly declined to 12% (2014).
- Donor funding makes up only 4-5% of the total educ. budget over the last 4 years with slight decline in 2014.

Trends in Education Expenditure across the sub sectors

(Source: ESPR, 2015)



Trends in Education Expenditure across the sub sectors

- ⇒ Expenditure at the Primary level continues to drop from 34.6% (2011)---- 22.8% (2012) ---- 22.0% in 2014--- this is a cause for worry.
- ⇒ Expenditure at the JHS increased from 11.5% in 2011 to 17% in 2012 and stayed almost the same in 2013 but decreased to 16.1% in 2014.
- ⇒ Education expenditure at the SHS and Tertiary level has been increasing over the past 3 years, expenditure at the Basic level has been declining.

GoG Expenditure as at June, 2015: Budget VRS Actual (Source: MoF, 2015)

Item	2015 Budget Allocation	Actual Expenditure (GH¢)	Variance	Actual Expenditure as a % of Budget Allocation
Compensation/PE	4,387,062,473	2,597,306,825	1,789,755,648	59.20%
Goods & Services	166,096,841	61,412,719	104,684,122	36.97%
Assets	111,178,391	537,246	110,641,145	0.48%
GRAND TOTAL	4,664,337,705	2,659,256,790	2,005,080,915	57.01%

Based on data from the MoF, **June, 2015**, actual spending on each allocation was well below the budget allocation...

- Performance in the sector 2014/2015

Positive achievements in relation to improving Quality of Basic Education Sector (2014/15)

- The enforcement of the **policy of zero tolerance** for Teacher Absenteeism through increased school inspection, supervision.
- To enforce discipline and professionalism in the teaching--- pilot scheme for the registration and **licencing of teachers** under the National Teacher Licensing Policy (Act 778).
- **Training** of over 24,520 teachers from 75 deprived districts at the KG/ primary levels in eleven Ghanaian Languages.
- 13,637 teachers went through various in-service training programmes in the 75 deprived districts (GPEG).
- Preparation toward the full implementation of the **Language policy** in Education through the USAID Learning Project

Strategic improvements in the supply of trained teachers

- Enrolment in Colleges of education increased by **9%** - --- a major achievement for the sector
- The GOG /MOE removed the quota system and introduced students loan trust fund to the CoE --- contributed significantly to increase enrolment
- The Student Loan Scheme was expanded to cover the COE with a total of 23,298 students benefiting--- (32.8%) were from CoE.
- Increased emphasis on distance learning for untrained teachers

Several targeted programmes in deprived areas and improving access, equity and quality.....

- Provision of **Complementary Basic Education** => 54,850 out-of-school children currently enrolled in 5 Regions ...47,517 were mainstreamed into the primary system.
- GPEG support to the **Untrained Teacher Diploma** in Basic Education (UTDBE).
 - Increasing retention of trained teachers in deprived rural areas;- Cost effective way of upgrading teachers in rural deprived areas.
- Supporting girls to transition and complete JHS in deprived areas and transition to SHS.
- Elimination of 2,578 "**Schools under Trees**" => 1714 completed to date and 864 are remaining.

Positive achievements in Gender Equity

- Several ongoing social interventions:
 - Capitation Grant to pupils,
 - Provision of School Uniforms
 - School feeding
 - subsidy for the registration of 438,000 candidates (BECE);
 - girls scholarships
 - take home food ration for Girls
 - RESULT: universal primary access/ gender parity at the KG and primary;
- As part of measures to bridge the gender gap in access to education at the JHS level, 55,000 girls in 75 deprived districts were provided with scholarship package under the Girls Participatory Approach to Student Success (Girls PASS).
- 800 girls from distant places were provided with bicycles..

Improvements in Second Cycle Institutions

- Out of the 200 targeted ---building 123 schools (120 ongoing and 3 completed).
- Upgrading of 50 existing SHS
- Rehabilitation of 100 science resource centers.
- Increasing emphasis on improving science and math education: 250 science lab technicians from SHS; and 200 science teachers

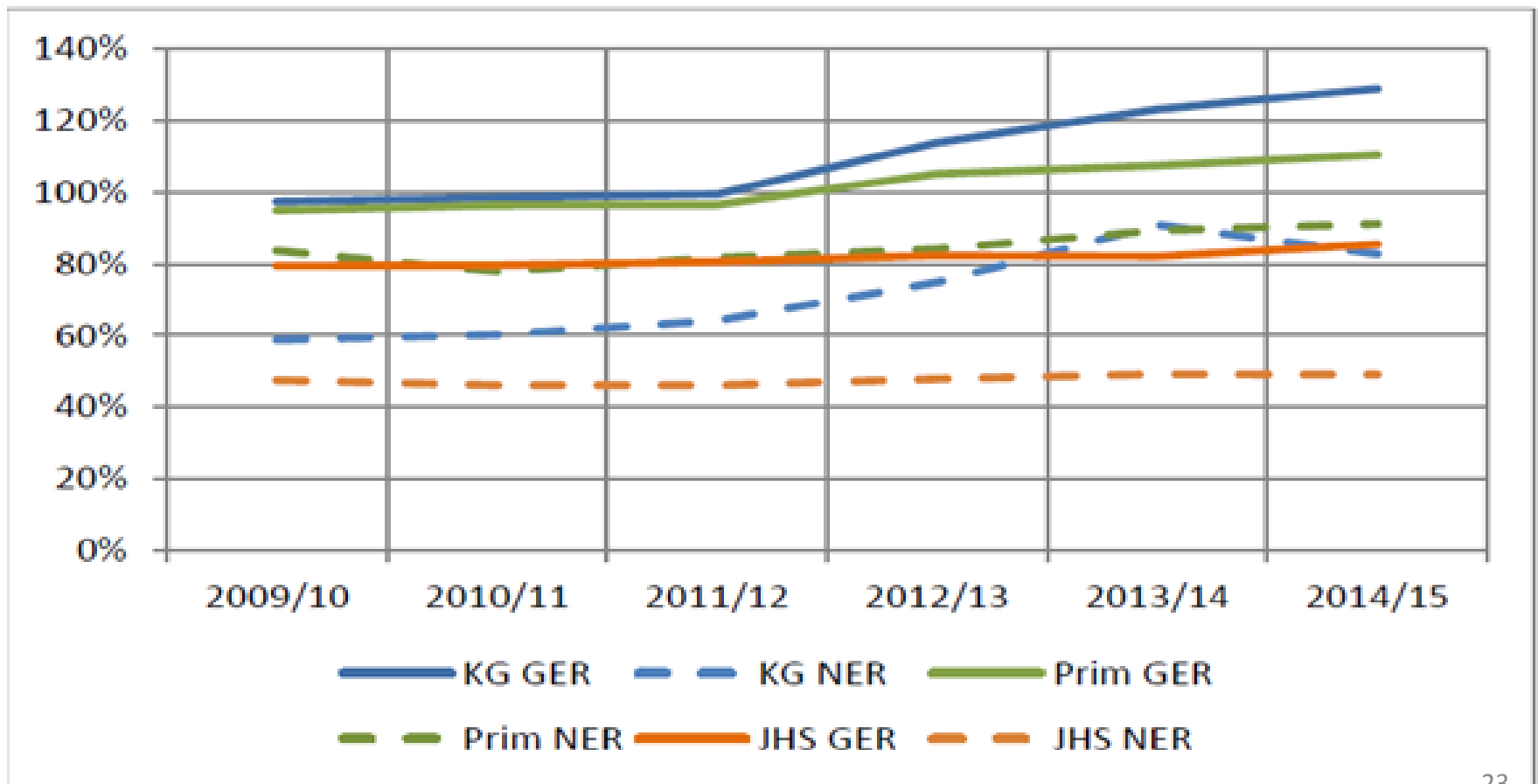
Outcomes

- Transition rates from P6 to JHS 1 increased from 92.7% in 2013/14 to 99.1% in 2014/15.
- Sustained increases in gender parity with parity achieved for Primary.
- **Trained Teacher Supply** shows gradual improvement but falls short of ESP Target.
 - ESP Target of 5% untrained by 2020 as against current rate of 31% for Basic Education and 14% for Second Cycle Institutions.
- Pupil Textbook Ratio shows improvement but still lags behind ESP Target of 1.3

National Gross and Net Enrolment Ratios for KG, Primary and JHS

Education Sector Performance Report 2015

Figure 1 Gross and Net Enrolment Ratios for Basic Schools

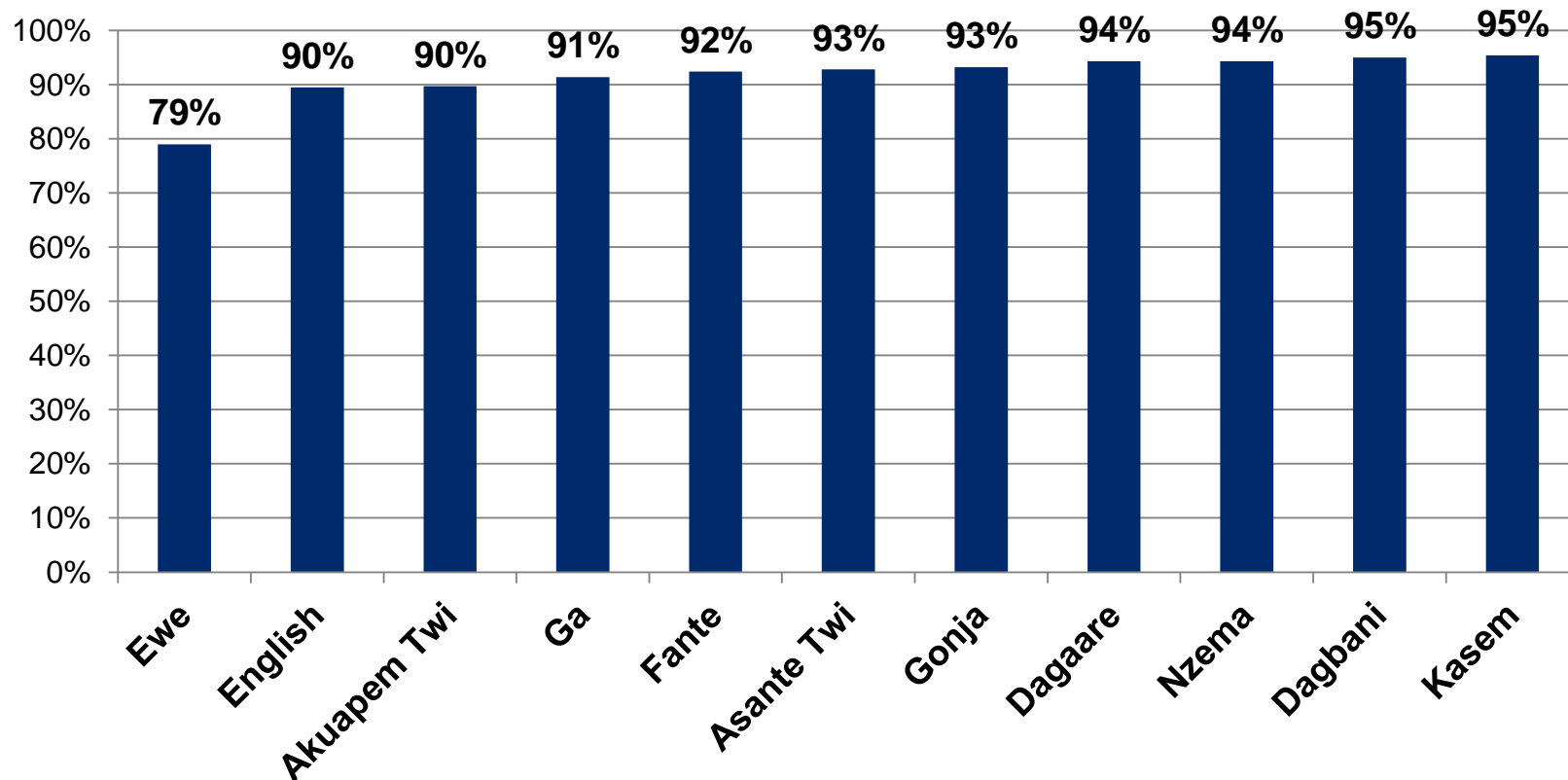


The Consistent Challenges

- **Very Poor teaching and learning outcomes.** Pupils in P3 and P6 exhibit weak proficiency in English and Math.
- Learning outcomes are generally low in Basic and Second Cycle Institutions.
- **Poor accountability systems at the school and district level---**dysfunctional DEOCs.
- **Overstaffing in Schools** particularly in urban areas. Ineffective Teacher Deployment for equitable teacher supply.

Across languages, pupils are not able to understand what they read

Pupils unable to read with comprehension

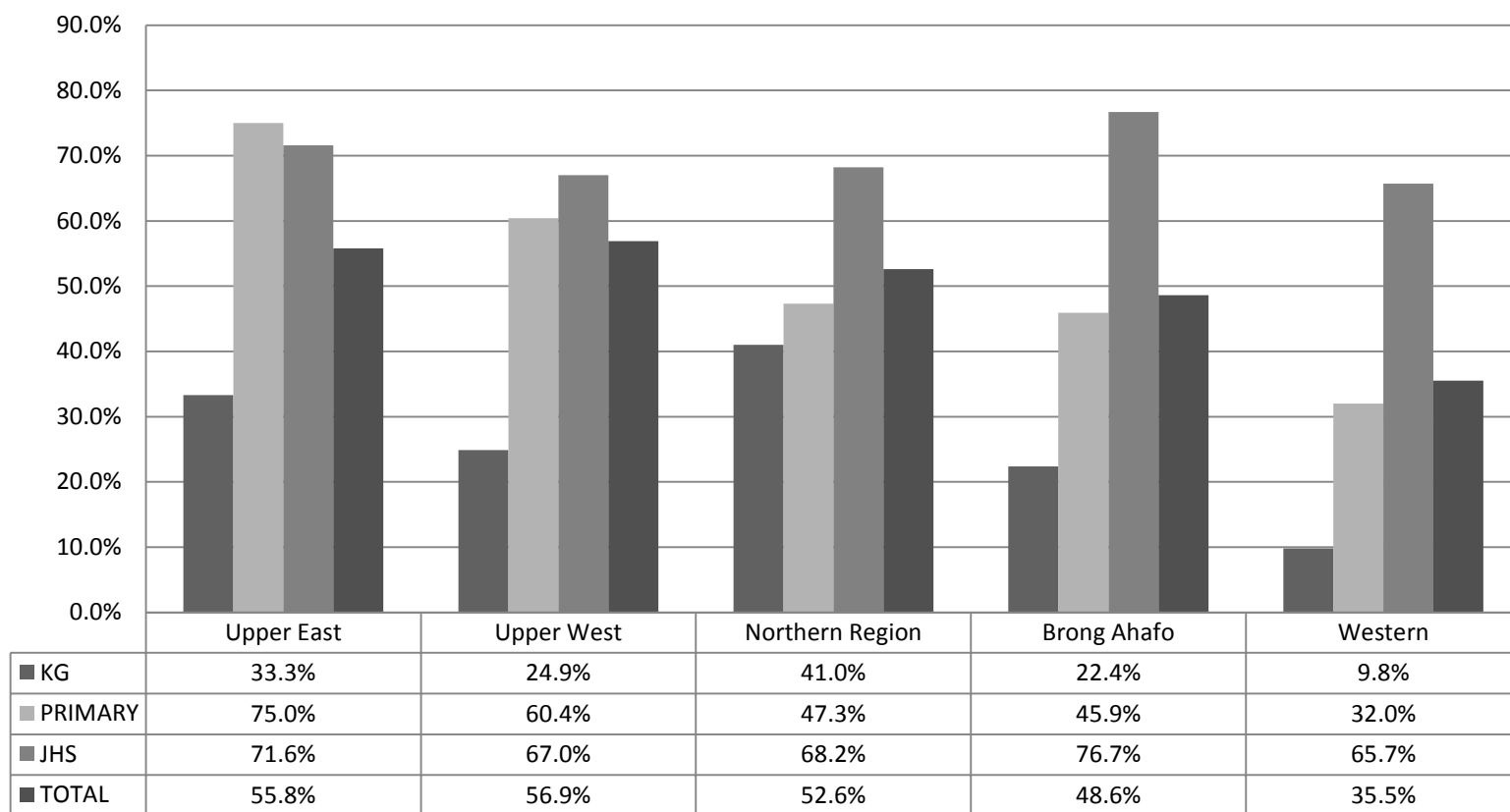


Trained teachers in primary education (% of total teachers)

Year	Ghana	Malawi	Mauritius
1999	72%	NA	100%
2000	69%	NA	100%
2001	69%	NA	100%
2002	65%	NA	100%
2003	63%	NA	100%
2004	61%	NA	100%
2005	58%	86%	100%
2006	56%	90%	100%
2007	53%	88%	100%
2008	49%	87%	100%
2009	48%	90%	100%
2011	51%	96%	100%
2012	52%	88%	100%
2013	53%	92%	100%

(Source: WDI, 2014)

Regional Average of Trained Teacher Supply across Sampled Regions between 2010/11 and 2013/14.



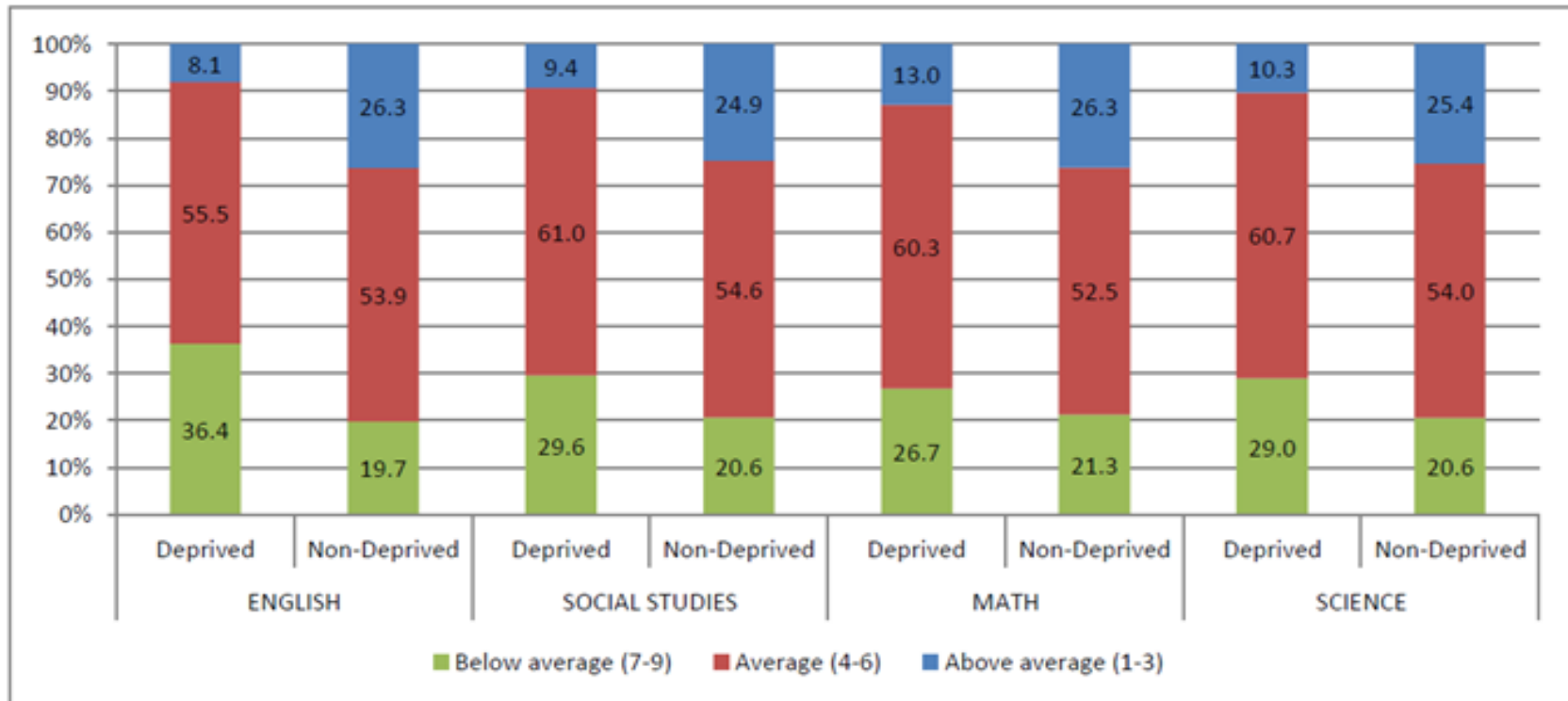
Learning outcomes

⇒ Still a high proportion who are not meeting minimum competency in P3 and P6: approx. 40%.

⇒ However the proportion who are proficient in Mathematics falls, from 22.1% at P3 down to 10.9% at P6, suggesting a particular barrier to teaching and learning of numeracy in Primary grades.

Distribution of BECE grades, deprived and non-deprived districts, 2014/15 (Source: ESPR, 2015)

Figure 10 Distribution of BECE grades, deprived and non-deprived districts, 2014



Improvements in BECE results from 2013/14 to date;
 Non-deprived have higher proportions of students achieving the above average grades than the deprived districts.

The deprived districts have a greater proportion of students scoring below average than the non-deprived, ---notably in English, and Science.

The Educational Outcomes for the nation:

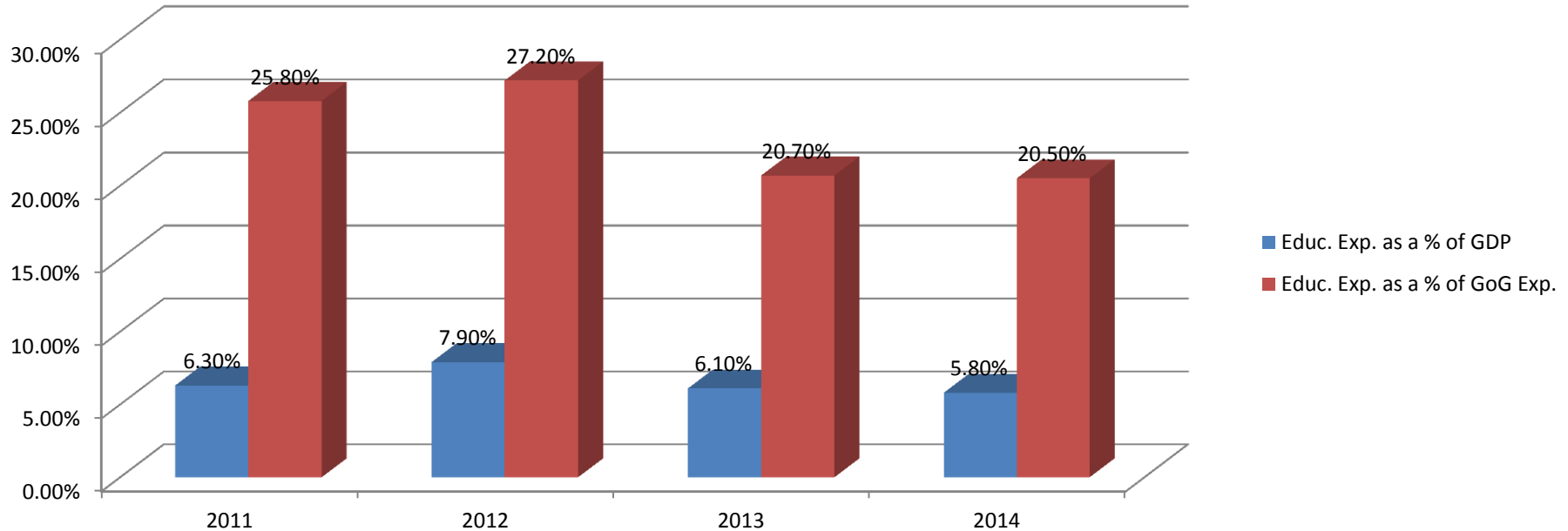
- Accumulative deficiencies among children who are unable to read and write...result in serious deficiencies within the labor force, economy
- Affecting GDP and economic growth- early grade reading (Crouch)...
- Large pool of unemployed and unemployable youth with high aspirations...

Analysis of 2016 budget

Overview of the 2016 Education budget

- Total amount for Education in 2016 is **GH¢ 6,532,352,029.00** compared to last year (2015) **GH¢ 6,740,437,383.00** (3.1% decrease...) --- inflation increased 17.4%
- Our main challenge is ensuring the educ. **budget is realistic** and that there will be limited overspending, increasing accountability and **efficiency in resources usage**.
- A serious effort on deployment of trained teachers and more efficiency in learning outcomes at early grade levels (KG-P3)
- In order to achieve economic growth: the allocations across the sub sectors for the basic, secondary and tertiary levels need to be strategically allocated in order to ensure
- Strategic choices based on Ghana's poor quality of basic education and its relation to propelling economic growth.

Trends in Education Expenditure as % of GDP & GoG Total Expenditure (Source: ESPR, 2015)



Actual education expenditure as a % of both GDP and total exp. **has decreased** in 2014 to 5.8%

Educ. exp as a % of GoG total exp. increased from 25.8% in 2011 to 27.2% in 2012....and **substantially decreased** to 20.5% in 2014....

MOE “has effects on the performance of the sector”

The Effect of this Budget Reduction

1. Restricts expansion in the sector and also compromises quality particularly at the basic level.
2. Supervision and oversight to the resources by District Education offices (deprived areas)
 - Capitation grant disbursement and school improvement at local level constrained.
 - Teacher time on task and quality instruction
 - Teacher deployment, discipline and management
3. Learning outcomes at the basic education level
4. Number of untrained teachers serving in rural deprived areas.

2016 BUDGET ALLOCATION BY SOURCE

Source	Wages and Salaries	Goods and Services	Capex	Total	Wages and Salaries as a % of GoG source funding
GoG	4,855,888,734 (-1.2%)	6,524,210 (-80%)	-	4,862,412,944	99.9% (0.6%)
Dev't Partners	-	28,904,053 (-7%)	115,618,511 (-7%)	144,522,564	
IGF	22,230,057	1,268,582,212 (1.1%)	234,604,250 (41.6%)	1,525,416,520	
ABFA		-	-	-	
Total Education Expenditure	4,878,118,791 (-0.7%)	1,304,010,475 (-9%)	350,222,761 (-10%)	6,532,352,028	
Percentage of Total Budget	74.68%	20%	5.36%		

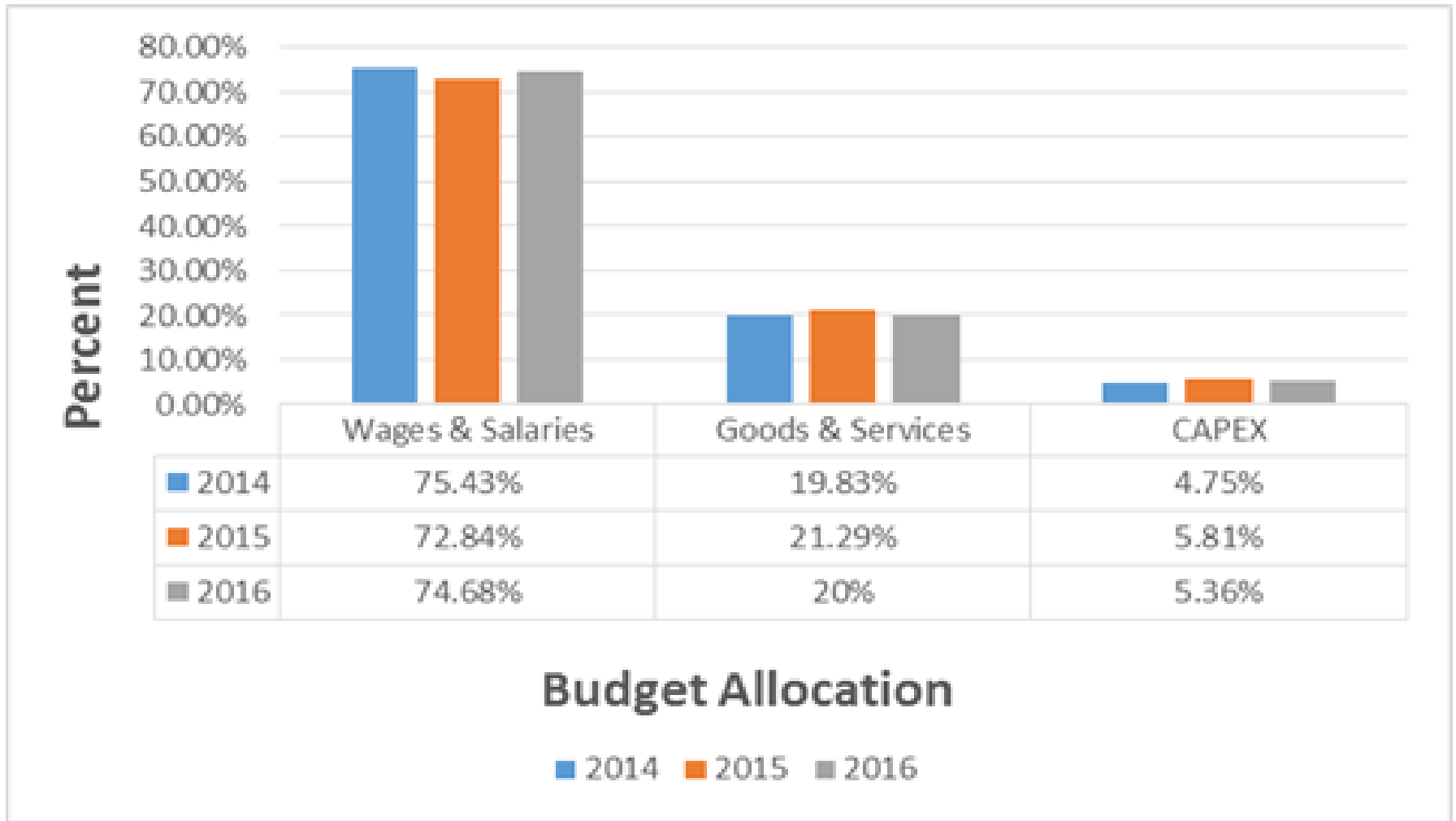
Budget analysis of 2016

- 99.9% of GoG funded education budget is allocated to wages and salaries
 - 75% of the total budget is used for wages and salaries.
 - 20% for goods and services (funded by other sources)
 - 5.4% for capital expenses (funded by other sources).
- No breakdown by subsector (KG, Primary, JHS and second cycle and tertiary)...limited monitoring.
- Funding from Donor sources has decreased by GHC 11million representing about 8% reduction --- could have implications on quality (non salary items).

Analysis of Sources of Budget for 2016

- Increases also in IGF financing by about 15%
- GOG financing also decreased from 4.9 billion to 4.8 billion in 2016 (decrease of about 2%)

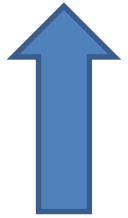
Trend Analysis of the Budget Allocation



Source: Budget statements (2014; 2015)

2016 Budget Allocations

⇒ Budget allocation to **Wages & Salaries** in 2016 is 74.68% ----an increase from the 72.84% in 2014/15...



⇒ Allocations to Goods / Services and Capital expenditure/Assets has slightly decreased in the 2016



POVERTY REDUCTION EXPENDITURES BY SUB-SECTOR IN GH CEDIS (GOG ONLY)

Poverty Reduction Expenditures by Sub-Sector in Ghana Cedis (GoG Only)					
Variables	2014	2014	2015	2015	2016
	Planned	Actual	Planned	Provisional Outturn	Planned
Education Sector Exp.	6,147,543,907.28	5,576,502,548.13	7,058,320,456.74	4,776,620,896.20	6,909,358,345.03
Basic Education/Poverty Exp.	2,781,670,802.50	3,035,416,191.97	3,542,471,307.98	2,400,120,967.48	3,390,463,007.79
Basic Ed Exp/Tot Ed Sec Exp.	45.25%	54.43%	50.19%	50.25%	49.07%

(Source: Budget Statement, 2016)

Poverty interventions in the sector

- Limited details on the amounts allocated across the different programmes
 - Public basic schools in 75 districts to receive additional grant through **GPEG**
 - 500,000 school uniforms to needy pupils in basic schools
 - 15 million **exercise books** to 36,685 basic schools.
 - Distribute 6 million textbooks in 2015/2016 academic year to children enrolled in public basic schools.
 - Over 4 million supplementary readers to primary schools through the USAID supported Learning Programme
 - Resource national and regional centres, equip teacher education institutions and provide equipment in basic science and mathematics... teachers / pupils in 35,000 schools
 - 45,000 additional girls to benefit from the **Girls Participatory Approach to Student Success DfID supported (G-PASS) Programme.**
 - Rehabilitate 5 special schools, complete the National Assessment Centre and increase enrolment target to 8,100.
 - Another 55,000 out of school children access Complementary Basic Education...

- Strengths and Weaknesses of the 2016 Budget

2016 Education Budget

Strengths

- Government has put in measures to implement /tackle teacher absenteeism with its zero tolerance policy.
- Strengthening of teacher licencing and efficiency and effectiveness within the sector... teacher accountability, teacher deployment, reducing leakages in the system and improving efficiency...how can Parliament ensure implementation?
- Increase in government, IGF financing....
- Better targeting of GOG/ Donor supported programming—deprived areas, marginalised groups

Weaknesses

- Same weaknesses persist in 2016 budget
- Potential short fall in the primary school sector;
- Reporting /Monitoring of allocations is weak. ---allocations across the sub sectors not known--- resourcing to primary education...
- 20% expenditure trend to primary level remains low considering the crisis in child literacy.
- Increasing Proportion to wages and decline in non salary components worrying---reducing MOE ability to address accountability issues (supervision monitoring, assessment, etc.)--VFM
- Not enough detail in the budget statement to address trade off between primary and SHS...

Strengths of the proposed budget 2016

- Reforms (removal of quota system, withdrawal of allowances, introduction of loan scheme) in College of Education suggest potential increases in trained teachers;
- MOE will finalise the Teachers Professional Development and Career Progression Scheme and Licencing of Teachers.
- Stronger targeting mechanisms with strong emphasis on girls and deprived districts

Some effort is made in increasing financial support to quality of basic education--- in-service training

- Language policy revision
- Production/supply of TLMs

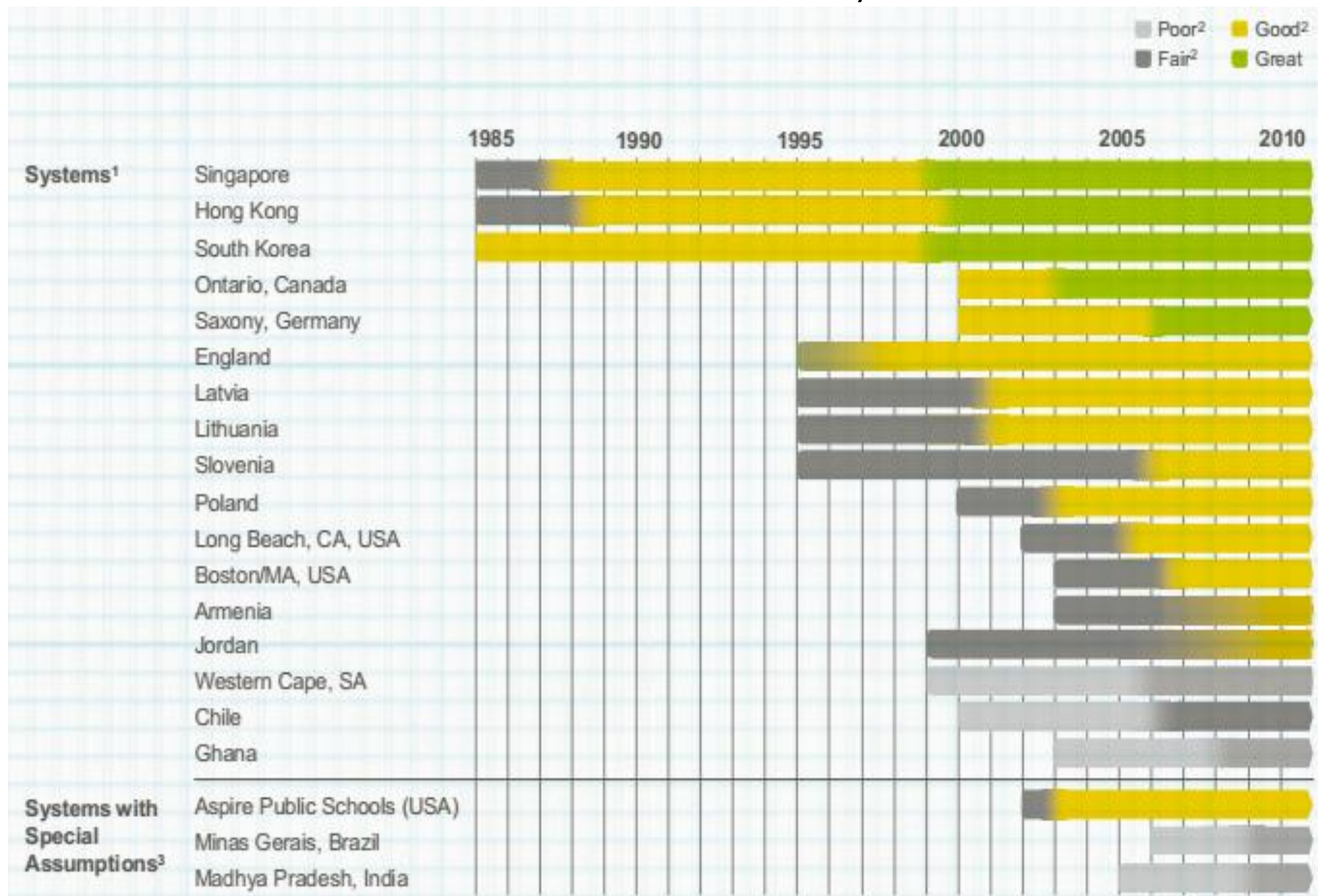
Weaknesses

- Funding to strengthen management efficiency and limited resourcing to district offices
 - Weak accountability system due to lack of resources for oversight institutions such as Regional and District Education Offices
- No mention of the need for performance contracts with Head teacher, District Director and other management agencies;
- Needs more focus to ensure trained teacher deployment–
- Not enough emphasis on implementing cost effective measures to improve low skilled/untrained teachers;
-

Global Study on Education System Efficiency and Effectiveness (McKinsey Report, 2012)

- Ghana is the second lowest in comparison with other education systems which invest similar amounts on basic education (e.g. South Africa...Chile etc.).
- Ghana has also been rated as poor performing in international math and science examinations.

Stages of Improvement in Performance (Source: McKinsey & Company interventions database)



(Source: McKinsey & Company interventions database)

Systems which were rated poor needed to do three main things to move them from “poor to fair” standing

- Interventions should focus on supporting students in achieving the literacy and math at basic level
- This requires providing training in a systematic approach particularly for low skilled teachers (mainly untrained)
- Fulfilling all the basic student needs
- Bring all the schools in the system to a minimum quality threshold...

Budget Recommendations

- Adequate Allocation to Primary: No reduction--ensure that at least 50% of the total budget continue to focus on basic education...
- Efficiency: ensuring that teacher deployment policy is fully implemented and equitable (particularly in relation to trained teachers)
- Accountability measures: monitoring the system's learning outcomes. Strengthen measures for NIB and others particularly at the early grade and primary level..

Final Recommendations

- Adequate allocation for oversight bodies at the basic levels to improve efficiency and effectiveness of budget allocation
- Improve the leadership, supervision and monitoring of the system particularly at the Basic Education Level in order to ensure literacy and learning outcomes.
(NIB, National Teaching Council and National Curriculum and Assessment (NCCA), District Education Oversight committees, SMC's etc)...
- Ensuring that the wage bill does not crowd out other essential items and that there are no leakages in the budget.

Key Questions for Parliament

- Reduce the wage bill from 99.9% of GOG expenditure in the sector with limited efficiency and effectiveness...
- Redeployment of teachers from District Education Offices to reduce the trained teacher gap particularly in rural deprived.
- Improving the supervision and monitoring of the teaching force by a smaller group of supervisors (e.g. NTC)
- Performance contracts

Conclusion

- Ghana needs to improve strong leadership and management at district/school level to maximise resource utilisation and deployment
- A higher allocation should be ring-fenced for basic education to ensure that quality and basic learning outcomes are achieved in order to meet middle income status needs.
- Allocation to primary schools should not continue to decline despite expansion in other sub sectors.

Thank you

The primary, the most urgent requirement is the promotion of education...It is inconceivable that any nation should achieve prosperity and success unless this paramount, this fundamental concern is carried forward. The principal reason for the decline and fall of peoples is ignorance. Today the mass of people are uninformed even as to ordinary affairs, how much less do they grasp the core of the important problems and complex needs of the time.

(Baha' i Writings)

