

MAKING THE
GETFUND FIT
FOR PURPOSE

PROF KOFI OSEI-FRIMPONG

ASSOCIATE PROFESSOR

AFRICA BUSINESS SCHOOL

UNIVERSITY MOHAMMED VI POLYTECHNIC

RABAT, MOROCCO

PRESENTATION OUTLINE

Introduction

State of higher education institutions financing

The structure of cost of higher education

Funding model in tertiary education in Ghana

Management of GETFund

The role of GETFund in higher education development

Criteria for funding by GETFund

Key challenges

Recommendations on making GETFund fit for purpose

Conclusion

INTRODUCTION

Financing public higher education institutions in Ghana has become a subject of discussion, given recent declines in government funding.

2024 budget allocation of GH¢32.7 billion to the Ministry of Education is inadequate (this represents 14.5% of projected government expenditure – lower than 2023 SSA average of 15.5%, and UNESCO’s minimum target of 20%)

This decline is mostly manifested in several areas, including:

Total public expenditure on higher education,

Per student expenditure,

Share of total government budget expenditure, and

Inadequate research funding.

Higher education financing challenges in the country led to the establishment of Ghana Education Trust Fund (The GETFund) in 2000 by the Ghana Education Trust Fund Act, 2000, Act 581.

INTRODUCTION



Despite GETFund's supports to HEIs,

there is still a huge funding gap in infrastructural development in public HEIs.



The recent implementation of the free SHS policy, and the increasing number of students

calls for a need to dialogue to find a sustainable solution to addressing the infrastructural challenges in our public higher education institutions.



GETFund is overwhelmed and needs to find innovative ways in carrying out its mandate



Government can increase their funding allocation, however, this approach might not be feasible given the current economic situation in the country.

PURPOSE



This paper provides an assessment of the scope of the GETFund's role in building a sustainable higher education enterprise in Ghana.



It further highlights some of the challenges facing the GETFund



It also outlines recommendations that could help address these challenges and make the GETFund fit for purpose.

THE STATE OF HIGHER EDUCATION INSTITUTIONS FINANCING



Higher education institutions typically rely on a combination of funding sources, which may include

government funding, grants, private donations, and student tuition fees



Declining government funding in public higher education institutions



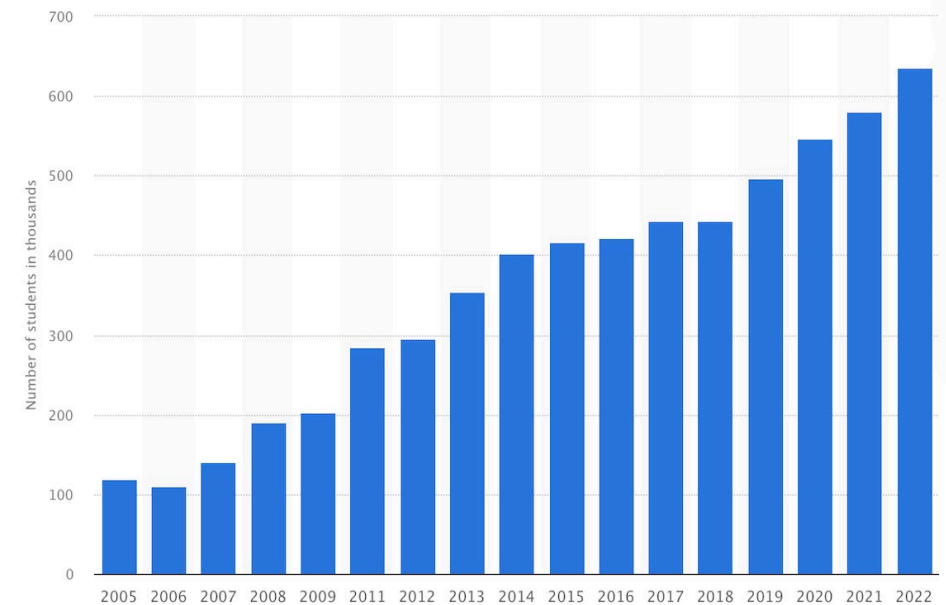
Increasing number of student enrolment

Ghana witnessed an enrolment of around 400,000 students in 2014, which increased to 635,000 in 2022, marking a substantial 58.75% increase in a period of six years



Cost sharing policy, performance funding policy, differentiated unit cost policy

Number of students enrolled in tertiary education in Ghana from 2005 to 2022



THE STRUCTURE OF COST OF HIGHER EDUCATION

The structure of cost of higher education in Ghana is influenced by the size of available funding from Government and donor agencies

Higher education in Ghana used to be free up until the early 1990s

As a result of low expenditure for higher education, government could not absorb the increasing expenditure due to increased student enrolment (Dadzie, 2009)

The Akosombo Accord in 1997 accepted the cost-sharing model of funding higher education in Ghana as follows:

Government: 70% payment of funding needs of tertiary education institutions;

remaining 30% funding requirements from three other sources including a) internal revenue-generation by the university, b) private donations, and c) students'

FUNDING MODEL IN TERTIARY EDUCATION IN GHANA



The Ministry of Finance, through the Ministry of Education, has the responsibility of determining and approving fund allocations to HEIs annual expenditure items.



In public universities in Ghana, these expenditure items are categorised as:

staff compensation,
administration,
services, and
investment.



The Ghana Tertiary Education Commission (GTEC) coordinates and monitors the annual budget design and implementation in higher education institutions.

MANAGEMENT OF THE GETFUND

The Ghana Education Trust Fund (GETFund) was established to provide funding to supplement government budgetary allocations at all levels of education (GETFund Act, 2000)

The board is responsible for managing the collection, accounting, and investment of the fund in accordance with the objective of the GETFund Act 581, 2000.

The Act 581 also requires the Board to be independent and also adopt innovative approaches in organising fund-raising activities to raise money for the fund.

- **However, the independence of the Board is questioned given the subtle interference from Government.**

Also, the over-reliance of funds from Government is a limitation to the operations of the GETFund, given the increasing number of the public higher education institutions.

This has often resulted in delays in receiving funds from Government leading to several operational constraints.



THE ROLE OF THE GETFUND IN HIGHER EDUCATION DEVELOPMENT



The primary objective of the GETFund is to provide financing to supplement the provision of educational activities especially at the tertiary levels.



Among other things the Fund is designed to

- (i) provide academic facilities and infrastructure to public institutions;
- (ii) contribute money to support student loan scheme;
- (iii) provide supplementary funding for needy students through the scholarship secretariat; and
- (iv) support faculty development and research.



The GETFund contributes about 10% to 12.9% of Government expenditure in tertiary education institutions – this declined to 7.84% in 2023



The GETFund engineered the creation and establishment of the Student Loan Trust Fund (SLTF) in 2005 under the Trustee Incorporation Act 1962, Act 106.

NUMBER OF ACCREDITED TERTIARY INSTITUTIONS (GTEC, 2023)

Institutions	Number of Tertiary Institutions		
	Public	Private	Total
Universities	15	91	106
Technical Universities/Polytechnic	10	1	11
Colleges of Education	46	2	48
Specialised Institutions	8		8
Nurses Training Colleges	68	10	78
Colleges of Agriculture	4		4
TOTAL	153	104	257

GETFUND DISBURSEMENT TO TERTIARY INSTITUTIONS

Description	Year			
	2018 GH¢ '000	2019 GH¢ '000	2020 GH¢ '000	2021 GH¢ '000
Scholarships	81,488	78,104	94,077	61,649
Students Loans	20,000	18,000	24,460	10,000
Faculty Development & Research	2,329	2,025	2,958	1,467
Infrastructure Development	78,247	106,338	188,131	122,764
Interventions/Programmes Tertiary	77,611	5,000	-	-
Vehicles, Accessories & Equipment	20,904	6,078	19,193	1,312
Total Disbursed (Tertiary Sector)	280,579	215,545	328,819	197,192
Total Disbursed Across all Sectors	851,033	1,086,043	2,038,482	1,526,935
% Disbursed to Tertiary Sector	32.96	19.85	16.13	12.91

Source: data compiled based on GETFund's Annual Reports of the respective years

CRITERIA FOR FUNDING BY GETFUND

The Ghana Education Trust Fund Act, 2000 Act 581 (section 8(1)) mandates GETFund to submit annually to Parliament for approval, a formula for the distribution of funds in respect of the following:

- Tertiary education
- Second cycle education
- Basic education
- Investment and
- Other related aspects of education such as distance education, school and public libraries and special education.



GETFUND DISTRIBUTION FORMULA FOR 2023

SUB-SECTOR	AMOUNT (GH¢)	PERCENTAGE (%)
Ministry of Education and Related Agencies	97,540,000	4.50
Tertiary Education Sub-Sector	170,000,000	7.84
Secondary Education Sub-Sector	167,000,000	28.44
Basic Education Projects and Programs	88,500,000	4.08
Parliamentary Support for Constituency Projects	31,620,000	1.46
Digitalization of Teaching and Learning Systems	550,000,000	29.41
Recovery of 2022 Shortfall	619,690,000	33.14
TOTAL	1,870,000,000	100

OVERVIEW OF CONTRIBUTIONS OF GETFUND



The Fund has made some contributions in the areas of

infrastructure;
student development and support;
faculty research and development;
support for mathematics, science, and technical education; and
a robust support to the Ministry of Education and its agencies.



In spite of these contributions there are challenges that require innovative means to address

KEY CHALLENGES



Payment of GETFund's debt and commitments which have been pending for many years. Debts cleared up to December 2023 – current debt stands at approximately GH¢ 900 Million



From the initial focus on tertiary education, the GETFund now devotes a large proportion of its resources to the pre-tertiary levels.



The practice where limited resources are used to sponsor students for higher education in foreign countries using limited, scarce foreign resources and further deepening the balance of payment deficit needs to be reviewed.

KEY CHALLENGES

The lack of independence and over-reliance on government for funding has often times caused delays and other budgetary constraints.

The passage (enactment) of the Earmarked Funds Capping and Realignment Act 2017, Act 947 has significantly affected the resource envelope of the GETFund.

RECOMMENDATIONS ON MAKING GETFUND FIT FOR PURPOSE



Efforts should be made to introduce efficiency, reduce waste, and create value within the administration of the fund. GETFund needs some level of independence and autonomy to allow for selected projects to be worked on per year considering their limited resources.



The GETFund model requires a review to make it more effective and fit for purpose. This has not been done since the inception of the fund. The GETFund Act 2000, Act 581 should be reviewed periodically (e.g., every 5 years) and amended to help meet the current demands of the tertiary education sector



The Board should also adopt more innovative approaches in raising funds independent of the government. For instance, the GETFund could take an entrepreneurial approach to raising finance through a variety of mechanisms offered by the innovative financing drive for educational development.



Further, the GETFund should have a template that puts more emphasis on HEIs than the pre-tertiary sector. The current 12% fund allocation to public HEIs is inadequate.

RECOMMENDATIONS ON MAKING GETFUND FIT FOR PURPOSE



A clear working policy must exist to focus on sponsoring Ghanaians within Ghanaian higher education institutions, especially for programmes offered in Ghana. Sponsorship for programmes abroad should relate to only critical needs of the country, and to programmes not offered in Ghana.



The GETFund may also develop a comprehensive public-private partnership framework that seeks to provide incentives to the private sector to drive the private sector to support tertiary education in Ghana.



Multiple stakeholder engagement is also recommended to help address areas of financing challenges and identify or explore other sustainable streams of income to support the Fund. To allow for timely release of funds, there is a need for GETFund levies to be directed away from the Consolidated Fund is strongly recommended.



Finally, the Earmarked Funds Capping and Realignment Act 2017, Act 947, should be further reconsidered by Government. Given the current financial situation of the GETFund, Government could uncap GETFund allocations and releases from the Ministry of Finance in the medium term.

CONCLUSION

In conclusion, the GETFund in the midst of the challenges should adopt innovative mechanisms in raising funds to support its activities and programmes.

There is a need to improve on their efficiency, develop entrepreneurship mindset at all levels within the administration of the Fund, and encourage public-private partnerships to drive more support from the private sector.