



## Ghana Education Trust Fund (GETFund)

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Our Ref: 351/01/07/22

Your Ref: .....

24 March, 2022

**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 2022


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 2022.

Total expected inflows for the year are projected at **Two Billion, Six Hundred Million, Eight Hundred and Two Thousand, Two Hundred and Seventy Five Ghana Cedis (Ghc2,680,802,275)**. This is specified in the **Budget Statement and Economic Policy of the Government for Fiscal year 2022**.

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 2022**

**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 2021 Performance Review**

### **1.2.1 GETFund Levy**

Mr. Chairman, an amount of **One Billion, Four Hundred and Forty-Two Million, Seven Hundred and Ninety-Six Thousand Ghana Cedis (Gh¢1,442,796,000)** was allocated to the GETFund for the 2021 fiscal year.

Mr. Chairman, out of this amount approved by this House, the actual amount released (accrued) was **One Billion, Four Hundred and Twenty-Three Million, Eight Hundred and Seventy-Six Thousand Ghana Cedis (Gh¢1,423,876,000)** giving a shortfall of **Eighteen Million, Nine Hundred and Twenty Thousand Ghana Cedis (Gh¢18,920,000)**.

Out of the accrued amount only **Six Hundred and Seventy-Six Million, Ninety-Three Thousand, Two Hundred and Two Ghana Cedis (Gh¢676,093,202)** was actually received as at the end of year. See table 1 below.

**Table 1. Status of 2021 Releases From CAGD**

<b>PERIOD</b>	<b>AMOUNT DUE</b>	<b>AMOUNT RECEIVED</b>	<b>AMOUNT OUTSTANDING</b>
2016 Balance B/F	76,606,349.42	19,180,540.58	57,425,808.84
2019 Balance B/F	137,752,445.36	132,948,936.00	4,803,509.00
2020 Balance B/F	387,505,045.00	387,505,045.00	-
2021 Actual	1,423,876,408.00	676,093,202.00	747,783,206.84
<b>TOTAL</b>	<b>2,025,740,247.78</b>	<b>1,215,727,723.58</b>	<b>810,012,523.84</b>

A total amount of **One Billion, Two Hundred and Fifteen million, Seven Hundred and Twenty-Seven Thousand, Seven Hundred and Twenty-Three Ghana Cedis, Fifty-Eight Peswas (Gh¢1,215,727,723.58)** was received in the 2021 fiscal year as shown above in table 1. Out of this amount, only **Three Hundred and fifty Million Ghana Cedis (Gh¢350,000,000)** was transferred to GETFund bank account. The rest was in respect of debt service. As shown in the table above an amount of **Eight Hundred and Ten Million, Twelve Thousand, Five Hundred and Twenty-Three Ghana Cedis, Eighty Four Peswas (Gh¢810,012,523.84)** was outstanding as at 31<sup>st</sup> December 2021.

**Table 2: 2021 Allocations and Disbursements**

<b>Sub-sector</b>	<b>Allocations For 2021</b>	<b>Disbursements</b>
<b>Debt Service</b>	866,016,000.00	865,727,723.47
<b>Shortfall Recovery</b>	145,063,000.00	
<b>Tertiary Education</b>	175,437,000.00	133,847,593.07
<b>Second Cycle Education</b>	74,000,000.00	100,838,510.19
<b>Basic Education</b>	66,237,000.00	25,106,614.61
<b>Others</b>	116,043,000.00	90,207,282.24
<b>Total</b>	<b>1,442,796,000.00</b>	<b>1,215,727,723.58</b>

For the year 2021, 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.

### **1.2.2 SECURITIZATION OF GETFUND RECEIVABLES**

It would be recalled that in 2018 Parliament approved the securitization of the GETFund receivables to secure a medium-term loan facility of up to US\$1.5 billion in three tranches of US\$500 million each.

Mr. Chairman, in 2021, we updated this House of the status of the GETFund securitization programme. We reported the transition from the syndicated loan structure to a Bond programme which necessitated the setting up of a **Special Purpose Vehicle (SPV), Daakye Trust PLC (Daakye)**, to raise additional funds through bonds and to consolidate GETFund's borrowings into a single debt structure (the Bond Programme ). The established shelf registered amount is **Gh¢5.5 billion**.

As at the end of December 2021, a total of **Gh¢2.45 billion** bonds had been issued through the programme out of which **Gh¢1.224 billion** was used to refinance the syndicated loans. The total amount of bonds issued in 2021 was **Gh¢1.06 billion** generating a total cash of **Gh¢1.110 billion** which was disbursed as follows;

**Table 3: 2021 PROCEEDS FROM BOND PROGRAMME**

<b>DETAILS</b>	<b>AMOUNT GH¢</b>
<b>Balance Brought Forward</b>	120,083,683.65
<b>Bond Proceeds</b>	1,110,307,965.77
<b>TOTAL CASH AVAILABLE</b>	1,230,391,649.42
<b>DISBURSEMENT</b>	
<b>Debt Swap</b>	100,000,000.00
<b>Bond Expenses</b>	15,941,000.00
<b>CONSTRUCTION</b>	
Tertiary	26,679,682.59
Second Cycle	425,243,824.18
Basic	63,882,612.71
Others	3,335,032.04
<b>SUPPLIES</b>	
Motor Vehicles	178,526,881.37
TVET Equipment	46,655,681.63
Furniture	76,729,916.26
Laptops for Teachers	230,000,000.00
Other TLMs	30,984,179.03
<b>TOTAL</b>	<b>1,198,077,827.97</b>
<b>Balance Carried Forward</b>	<b>32,313,821.45</b>

The total syndicated loan outstanding after refinancing was **Three Hundred and Seven Million, Five Hundred and Eighty Three Thousand, Three Hundred and Thirty Three Ghana Cedis (GH¢307,583,333.00)** as at 31<sup>st</sup> December 2021.

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### 1.2.3 Projects

A total of 2,257 projects were completed by 31<sup>st</sup> December 2021 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.

Mr. Chairman, another zonal office was established in Tamale to cater for the Northern sector including Oti region. This office became operational in the last quarter of 2021.

**Table 4: Completed Projects as at 31<sup>st</sup> December 2021**

<b>SUB SECTOR</b>	<b>PRE 2017</b>	<b>2017 TO DATE</b>	<b>TOTAL</b>
Tertiary	127	0	127
Second Cycle	513	489	1,002
E-Blocks	14	-	14
Model Schools	-	-	-
TVET Centers	-	-	-
Basic	690	424	1,114
<b>Total</b>	<b>1,344</b>	<b>913</b>	<b>2,257</b>

### 1.2.4 Scholarships

For the year 2021 the following scholarships were awarded to eligible applicants to pursue their studies in various institutions both locally and abroad. Please find details in the table below.

**Table 5: Scholarships Awarded in 2021**

<b>Programme Category</b>	<b>Local</b>	<b>Foreign</b>	<b>Total</b>
Doctorate	127	18	145
Masters	492	224	716
Undergraduate	1,453	1	1,454
Others	162	0	162
<b>Total</b>	<b>2,234</b>	<b>243</b>	<b>2,477</b>

## 2.0. FISCAL YEAR 2022

For the fiscal year 2022, a total of **Two Billion, Six Hundred Million, Eight Hundred and Two Thousand, Two Hundred and Seventy Five Ghana Cedis (Gh¢2,600,802,275)** is expected to accrue to the **Fund**. The structure of spending in this Formula is aligned to the Education Sector Priority Projects and Programmes.

A major area of spending for this year as in the previous years, will be the provision **made for the servicing of debt (Bond Programme and Syndicated Loans residue)**. It is estimated that about **39.13%** of total spending will be allocated for this purpose, a decrease from the **60.02%** allocated in 2021.

Mr. Chairman, **the Board has taken a bold decision to tackle the problem of uncompleted projects dotted around the country across the various subsectors of education. The target is to achieve 80% completion rate in three years.** This will be achieved through a funding mix of bonds and GETFund Levy allocations as will be demonstrated shortly. To this end, the GETFund has taken ownership of all on-going projects at all sub-sectors to facilitate their completion. See table below.

**Table 6: Uncompleted Projects**

<b>SUB SECTOR</b>	<b>PRE 2017</b>	<b>2017 TO DATE</b>	<b>TOTAL</b>
Tertiary	333	2	<b>335</b>
Second Cycle	907	487	<b>1,394</b>
E-Blocks	38	-	<b>38</b>
Model Schools	-	9	<b>9</b>
TVET Centers	-	2	<b>2</b>
<b>Basic</b>	<b>1,261</b>	<b>544</b>	<b>1,805</b>
<b>Total</b>	<b>2,539</b>	<b>1,044</b>	<b>3,583</b>



All contracts of abandoned projects would be terminated and re-awarded to credible contractors who will complete them.

Other areas of significance worth mentioning include the following:

- **Allocations for new interventions across the various sectors of education**
- **Renovation of dilapidated structures especially at the Basic level**
- **Procurement of Teaching and Learning Materials (TLMs)**
- **Procurement of Furniture for completed projects.**
- **The Students Loan Trust Fund;**
- **Scholarships**

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

### ***2.1.1 Tertiary***

The increased enrollment at the tertiary level resulting from the Free SHS policy is putting enormous strain on academic and residential facilities. To this end, the Tertiary Sub-Sector has been allocated **20.99%** of total expected spending from the National Budget and **21.36%** from Bond proceeds for 2022 to support a range of activities and interventions. In line with the Board's decision to complete on-going projects, an amount of **Gh¢270 million (mix of budget and bonds)** has been allocated for this purpose at the tertiary level.

An additional amount of **Gh¢328 million (mix of budget and bonds)** has been allocated to cater for new interventions at the tertiary sub-sector. Included in this amount is **Gh¢80 million** distributed by the Ghana Tertiary Education Commission to all public tertiary institutions.

Mr. Chairman, to cater for continuing students under the GETFund scholarship and the award of new sponsorships for students to pursue various programmes both locally and abroad, an amount of **Gh¢100 million** has been allocated for 2022.

The details of tertiary allocations can be found on appendices I & II.

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

This Sub-Sector has also been allocated **19.09% and 54.09%** of total spending from the budget and bond proceeds respectively. A total amount of **Gh¢340.547 million** is earmarked for the completion of on-going second cycle projects, including Community SHS, model schools among others. The Board has also allocated an amount of **Gh¢200 million** for the procurement of Teaching and Learning Materials (TLMs) for Senior High Schools. Allocations have also been made to pay suppliers of vehicles and furniture that were procured and distributed to various schools. The terms in the contracts for the vehicles spread the payment over a three-year period.

Allocations have also been made to fund new interventions at this level of education.

Details of second cycle allocations can be found in appendices I & II.

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

A total allocation of **12.53% and 24.55%** of total projected spending from the budget and bond proceeds have been made for funding various projects and programs in Basic Education. For the completion of Basic Education on-going projects, a total amount of **Gh¢115 million** (mix of budget and bond) has been allocated. Allocations have also been made for new interventions as shown in appendices I & II.

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### ***2.1.4 Others***

A total of **5.97%** of total projected spending has been allocated to the Ministry of Education and **Institutions and Agencies** within the Education Sector. This includes the GETFund. Allocations to Youth Employment Agency and the Scholarship Secretariat also fall under this category.

It is important to mention that **0.25%** (included in the **5.97%**) has been earmarked for investment as mandated by Act 581.

#### ***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-Five Million, Seven Hundred and Fifty Thousand Ghana Cedis (Gh¢35,750,000)** representing **1.37%** of total spending has been allocated for that purpose.

The specifics are:

- An allocation of **Eighty-Five Thousand Cedis (Gh¢85,000)** per member of Parliament for the funding of Education-related projects in their constituencies, amounting to **Twenty-Three Million, Three Hundred and Seventy-Five Thousand Ghana Cedis (Gh¢23,375,000)**; 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)**. This represents a **28.57%** increase over the **Gh¢35,000** paid in 2021.

#### **2.2 Bond Issuance**

Mr. Chairman, The Board intends raising an amount of **Gh¢1.1 billion** through the issuance of bonds in 2022 by Daakye PLC. This forms part of the shelf registered **Gh¢5.5 billion** bonds and will bring total bonds issued to **Gh¢3.55 billion**. Appendix II attached shows the proposed spending of this amount.

### 2.2.1 Debt Consolidation

After the debt swap, total syndicated loans were reprofiled and consolidated into one under the Standard Chartered Bank Syndicate with an outstanding amount of **Three Hundred and Seven Million, Five Hundred and Eighty Three Thousand, Three Hundred and Thirty Three Ghana Cedis (GH¢307,583,333.00)**

### 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 2022 as presented.

Thank you.



**Dr. Richard A. Boadu**

**Administrator**

## APPENDIX I

## DISTRIBUTION FORMULA - GETFUND 2022

SUB-SECTOR	2022		2021	
	(GH¢' 000)	%	(GH¢' 000)	%
<b>LONG TERM LOAN FACILITY</b>				
Debt Service Account	1,017,743	39.13	866,016	60.02
	<b>1,017,743</b>	<b>39.13</b>	<b>866,016</b>	<b>60.02</b>
<b>SHORTFALL RECOVERY</b>				
Recovery of 2021 shortfall	18,920	0.73	145,063	10.05
Recovery of Discount on MOF Release Through Bond	4,804	0.18		
	<b>23,724</b>	<b>0.91</b>	<b>145,063</b>	<b>10.05</b>
<b>TERTIARY EDUCATION</b>				
Completion of Tertiary On going Projects (Including Pending Claims)	180,000	6.92	-	-
Academic Facilities & Infrastructure - Priority/New	80,000	3.08	73,437	5.09
Upgrade of TVET Workshops - Technical Universities	100,000	3.84		
Scholarships	100,000	3.84	50,000	3.47
Students Loan Trust	50,000	1.92	35,000	2.43
Faculty Development & Research	12,000	0.46	7,000	0.49
Counterpart Funding - Non Traditional Engineering Programs	-	-	1,000	0.07
Innovation Fund	1,000	0.04	1,000	0.07
Special Interventions	23,000	0.88	8,000	0.55
<b>Sub-total</b>	<b>546,000</b>	<b>20.99</b>	<b>175,437</b>	<b>12.16</b>
<b>SECOND CYCLE EDUCATION</b>				
Completion of SHS On going Projects (Including Pending Claims)	100,000	3.84	15,000	1.04
New SHS Targeted & Emergency Projects,	60,000	2.31	17,500	1.21
Completion of Community Day SHS	46,588	1.79	6,000	0.42
Rehabilitation of Dilapidated Structures	10,000	0.38	7,500	0.52
Furniture for SHS Other Structures	50,000	1.92	18,000	1.25
Furniture for SHS - Model Schools	25,000	0.96	-	-
Fencing of SHS	10,004	0.39	5,000	0.35
Boheholes for SHS	2,500	0.10	-	-
Science Technology Engineering & Mathematics (STEM)/AIMS/IEPA	2,500	0.10	2,500	0.17
Laptops for Teachers	90,000	3.46		
TLMs for SHS Students	100,000	3.84		
Second Cycle Contingencies	-	-	2,500	0.17
<b>Sub-total</b>	<b>496,592</b>	<b>19.09</b>	<b>74,000</b>	<b>5.13</b>
<b>BASIC EDUCATION</b>				
Ongoing Basic School Projects (Including Pending Claims)	80,000	3.08	11,098	0.77

New Basic School Projects	50,000	1.92	19,439	1.35
Construction of KG Classrooms	20,000	0.77	7,000	0.49
Textbooks including Braille Materials & Equipment	8,000	0.31	3,000	0.21
Furniture for Basic Schools	30,000	1.15	11,500	0.80
White Boards for Basic Schools	40,000	1.54	-	-
Laptops For Teachers	73,800	2.84	-	-
Fencing of Schools	-	-	1,000	0.07
Water and sanitation for Schools (Boreholes & Toilets)	1,000	0.04	1,300	0.09
Institutions of the Handicapped	3,000	0.11	2,400	0.17
Rehabilitation of Dilapidated Structures	20,000	0.77	5,000	0.35
Promotion of French	-	-	2,000	0.14
Special Programs to promote Girl Child Education and Maths/Science	-	-	1,000	0.07
Basic Education Contingencies including Communication		-	1,500	0.10
<b>Sub-total</b>	<b>325,800</b>	<b>12.53</b>	<b>66,237</b>	<b>4.59</b>
<b>OTHERS</b>				
MOE and Subvented Agencies	30,000	1.15	25,000	1.73
Scholarship Secretariat	7,000	0.27	5,000	0.35
Construction of GETFund Office Building	17,000	0.65	6,625	0.46
GETFund Operational and Monitoring Costs	59,192	2.28	34,061	2.36
Youth Employment Agency	32,000	1.23	9,500	0.66
Investment	6,502	0.25	3,607	0.25
Contingencies	3,500	0.14	2,000	0.14
<b>Sub-total</b>	<b>155,194</b>	<b>5.97</b>	<b>85,793</b>	<b>5.95</b>
<b>MEMBERS OF PARLIAMENT</b>				
MPs Emergency Projects	23,375	0.90	20,625	1.43
MPs Monitoring	12,375	0.47	9,625	0.67
<b>Sub-total</b>	<b>35,750.00</b>	<b>1.37</b>	<b>30,250.00</b>	<b>2.10</b>
<b>GRAND TOTAL</b>	<b>2,600,802</b>	<b>100</b>	<b>1,442,796</b>	<b>100</b>

**APPENDIX II**

**PROPOSED UTILISATION OF BOND PROCEEDS - 2022**

<b>SUB-SECTOR</b>	<b>(GH¢')</b>	<b>%</b>
<b>TERTIARY</b>		
Completion of Tertiary On going Projects (Including Pending Claims)	90,000,000.00	8.18
Hostels for Colleges of Education	125,000,000.00	11.36
Centralised Applications Processing Systems - GTEC	20,000,000.00	1.82
<b>Sub-total</b>	<b>235,000,000.00</b>	<b>21.36</b>
<b>SECOND CYCLE</b>		
Completion of SHS On going Projects (Including Pending Claims)	70,000,000.00	6.36
Model Schools	123,959,166.00	11.27
Teaching and Learning Materials for SHS	100,000,000.00	9.09
Vehicles	168,725,949.00	15.34
Furniture	132,314,885.00	12.03
<b>Sub-total</b>	<b>595,000,000.00</b>	<b>54.09</b>
<b>BASIC</b>		
Ongoing Basic School Projects (Including Pending Claims)	35,000,000.00	3.18
Development of ICT in Childhood Education	35,000,000.00	3.18
Textbooks	200,000,000.00	18.18
<b>Sub-total</b>	<b>270,000,000.00</b>	<b>24.55</b>
<b>GRAND TOTAL</b>	<b>1,100,000,000.00</b>	<b>100.00</b>