



## SEND GHANA'S PRELIMINARY ASSESSMENT OF THE 2018 BUDGET

### Education Sector

1. The education sector budget increased by 11% from GH¢ 8.33 billion in 2017 to GH¢ 9.26 billion in 2018. However, much of the increment went into payment of compensation compared to goods and services and capital expenditure. Share of allocation to compensation increased significantly from 91.4% in 2017 to 98.5% in 2018. This development raises serious concerns about government's commitments to deal with infrastructural (schools, dormitories, etc.) and logistical (Teaching and Learning Materials, Monitoring and Supervision, etc.) constraints that contribute directly to educational outcomes.
2. The implementation of the Free Senior High School has led to increased enrolment at the SHS level from 300,195 students in the 2016/17 academic year to 396,951 students in the 2017/18 academic year, representing an increment of 32.2%. This development has exposed the infrastructural deficit and logistical challenges which is affecting the smooth implementation of the policy and for that matter impeding sound academic work. Yet government's allocation to capital expenditure and goods and services were insignificant to address this situation.

### Agricultural Sector –MOFA

1. The Ministry of Food and Agriculture's (MOFA) share of the Ministries, Departments and Agencies' (MDAs) total allocation declined by 0.3%. However, in nominal terms, the ministry's allocation increased slightly from GH¢ 572,223,738.18 in 2017 to GH¢598,620,435.00 in 2018. With the recent focus on agricultural industrialisation through flagship programmes like 'One Village One Dam', 'One District One Factory' and 'Planting for Food and Jobs' inter alia, significant increase in allocation was expected.
2. A significant drop in donor funding (from 49% to 21.5%) was observed in the 2018 agriculture sector budget. The burden appears to have been shifted to Annual Budget Funding Amount (ABFA), increasing MOFA's reliance on the fund from 18% in 2017 to 41.6% in 2018. Though government is gradually moving away from the reliance on donor funding, it is important not to over rely on ABFA given the volatile nature of oil prices on the world market. It is expected that a significant drop in world market prices of oil will affect funding to the sector, making it suffer predictability constraints.



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3. Allocation for compensation rose significantly from GH¢43,905,470.00 in 2017 to GH¢61,052,712.00 in 2018, while that for goods and services to MOFA declined sharply from GH¢456,066,590.00 in 2017 to GH¢157,147,870.00 and CAPEX fell slightly from GH¢249,704,281.00 in 2017 to GH¢248,265,991.00 in 2018. This is worrying and contradictory given that the broad agenda of government in the short to medium term is to create jobs through investment in agriculture and agribusiness among others.

4. Government plans to register 500,000 farmers under the 'Planting for Food and Jobs' campaign in 2018, an increase of 150% from 200,000 in 2017. The budget, however, is loudly silent on the quantity of inputs such as subsidized fertilizers and seeds to be procured and distributed to support the initiative. In 2017, about half (121,000MT out of a target of 233,356MT) of subsidized fertilizers target was met and 77% of (4,454.98 MT out of a target of 5,767.50MT) subsidized seeds target was procured and distributed. What quantity of subsidized fertilizer and seed is needed for the 500,000 targeted farmers? What measures are put in place to mitigate the shortfalls witnessed in 2017?

#### Positive Indicators

- ✓ Good macroeconomic performance
- ✓ A clear commitment to implement the SDGs by anchoring the entire budget on the agenda 2030
- ✓ Decreased donor funding in almost all sectors
- ✓ Tax incentives to young entrepreneurs laudable

#### Common Trend

- ✓ Significant increase in compensation & reduction or marginal increase in allocations to goods & services. This shows a reverse of 2017 allocation where goods and services gained significantly.

5. To minimize the devastating effects of a possible outbreak of Fall Army Worm (FAW) in 2018, government plans to build a strategic stock of insecticide and other logistics to ensure readily availability of chemicals during an outbreaks as well as intensification of farmer education, monitoring and surveillance. However, the budget is conspicuously silent on expenditure allocation for this initiative.

### Health Sector

1. The health sector is not included in the twelve medium term priorities of government. This is quite worrying given that most health indicators are poor (i.e. high maternal mortality ratio, neonatal mortality, malaria related deaths, etc.). Indeed Ghana did not





meet most health-related MDGs; therefore, the health sector should be seriously considered in a budget that is anchored on the SDGs.

2. The sector's budget increased marginally (in nominal terms) by 4.6%, which shows a decline in the sector's share of MDAs' budget (from 7.8% in 2016 and 2017 to 7.1% in 2018). This is below half of the Abuja Declaration's target of 15% total budgetary allocation. This is worrying given the fact that government has admitted funding challenges to the health sector, which affected the purchase of vaccines for immunization in 2017 for which reasons some immunization indicators (such as percentage of children immunized by age one and percentage of children immunized by age line year for OPV3) were not achieved. It was therefore not surprising that neonatal mortality increased from 5.8% in 2016 to 7.5% in 2017. The marginal increase in the sector's budget does not indicate plans to prevent such occurrence.

### **Water, Sanitation & Hygiene (WASH)**

1. Allocation for WASH programmes declined by 28% in 2018, reducing the share of the sector's budget to 0.3% in 2018 from 0.5% in 2017. In 2017, the allocation was GH¢ 255.5 million compared to GH¢183,632,576 in 2018. Given the state of sanitation in the country and the fact that the President recently launched a national sanitation campaign, this raises a lot of concerns.
2. Limited or no information was given on targets in 2017. For instance, in 2017 the Ministry of Water and Sanitation targeted to complete ongoing 1000 boreholes project and initiate the construction of at least 2000 boreholes (Pg. 495), but the 2018 budget is silent on the status of those projects yet indicates plans to construct 50 small town pipe water schemes and over 300 boreholes in 2018. Also, in 2017, government indicated plans to introduce a policy framework to establish a National Sanitation Fund but no update was provided in the 2018 budget.
3. Again, in paragraph 503 of the 2017 budget, government, under the 'One House One Toilet' programme, indicated that the Ministry was going to collaborate with the Greater Accra Metropolitan Area (GAMA) project to construct at least 15,000 household toilets in low-income communities in the Greater Accra Metropolitan Area. In addition, under the National Accelerated Toilet Access Programme, 5,000 household toilets will be constructed for rural communities in the three Northern, Upper East and Upper West regions. Yet again the 2018 budget is silent on status of this project. Interestingly, the 2018 budget has promised to construct 200,000 household toilets and 20,000 institutional latrines through the 'Toilet for All' agenda. How is government going to



implement these projects with a budget cut of 28.1%?

## Child Protection

1. Expenditure allocation to the Ministry of Gender, Children and Social Protection (MGC&SP) in 2018 (GH¢ 61,380,673) decreased in real terms<sup>1</sup> by approximately 77% compared to its 2017 allocation (GH¢ 255,481,323). This reduces the Ministry's share of total MDAs' budget to 0.2% from 1% in 2017.
2. Allocation to goods and services dropped by half from (82% in 2017 to 40% in 2018), while compensation increased significantly from 9% in 2017 to 44% in 2018.

*For interviews Contact the Country Director, Mr. George Osei-Bimpeh, on 0501204944.  
Other interviews may be arranged by contacting Mr. Benedict Mensah on 024502171.*

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<sup>1</sup> Using CPI value of 191.6 (CPI as at February 2017) for 2017 budget and CPI value of 203.2 (CPI as at October 2017)



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