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EDUCATION BUDGET BRIEF

Making every Cedi invested in education count for every child

October 2026



KEY MESSAGES AND ADVOCACY

Ghana continues to demonstrate a strong commitment to education financing, with total sector spending projected at 16.2% of total expenditure and 3.1% of GDP, driven by the uncapping of GETFund and increased budget allocations to the Ministry of Education (MoE). However, despite this positive momentum, education spending remains below international benchmarks and significant challenges persist in equity, efficiency, and inclusion. Resources remain concentrated at higher levels of education and on compensation, while foundational learning, essential teaching and learning inputs, school infrastructure, and inclusive education remain underfunded. Addressing these imbalances will be critical to ensure that increased investment delivers better and more equitable learning outcomes for all children.

I. **Sustain the investment momentum in education.** Ghana should progressively scale up education financing toward the 20% of total budget and 4–6% of GDP benchmarks as fiscal space improves. Protecting core allocations, including protecting GETFund from any future caps, and leveraging innovative financing will be critical to sustain gains and improve quality learning outcomes.

II. **Enhance alignment between basic education policy commitments and budget allocations.** While the Government has identified basic education as a strategic priority, budget allocations do not yet fully reflect this commitment. Rebalancing education spending towards basic education would strengthen foundational learning, improve student retention and progression, and enhance the efficiency and equity of the education system. Sustained investment at the foundational level is critical, as learning deficits in the early years can limit educational attainment and reduce the effectiveness of investments at higher levels of education.

III. **Translate the wage bill into improved learning outcomes.** With an average of 83.8% of the MoE spending going towards compensation, maximizing the effectiveness of the teaching workforce is critical to improving learning outcomes. This requires strengthening teacher effectiveness, ensuring more equitable deployment of teachers to schools and regions facing the greatest shortages[1], and enhancing accountability, performance incentives, and continuous professional development. Such measures would help ensure that substantial investments in the wage bill translate into improved educational quality and stronger learning outcomes for all learners.

IV. **Improve equity of spending, particularly at secondary level.** Ensuring the sustained participation of children from the poorest households throughout the education system is essential to reducing disparities in public spending, closing learning gaps, and expanding equitable opportunities for all.

V. **Improve spending efficiency and value for money.** Enhance budget execution, particularly for non-wage inputs such as learning materials, school infrastructure, and other essential teaching and learning resources. As outlined above, these efforts should be complemented by measures to strengthen basic education and improve the equitable deployment and effectiveness of teachers, thereby maximizing the returns on existing education investments and improving learning outcomes.

VI. **Strengthen investment in inclusive education.** Increase financing and implementation efforts to expand inclusive education services, particularly for children with disabilities and other marginalized groups. Investing in inclusive education promotes equity, improves educational outcomes, and enhances the long-term economic and social returns of public spending on education.



[1] UNICEF, 2026, Teachers for All Strengthening equitable teacher deployment to improve learning in Ghana UNICEF-Innocenti-T4A-Ghana-Report-2026.pdf.pdf.pdf



1 INTRODUCTION

Ghana has made significant progress in expanding access to education, in particular, improved enrolments across the system and recruitment of more qualified teachers. Between 2021 and 2023, Gross Enrolment Ratio (GER) at Kindergarten (KG) increased from 105.9% to 118.5%, Primary GER increased from 99.2% to 112.4%, and Junior High School (JHS) GER increased from 84.5% to 96.9%, surpassing the medium-term targets (2022-2025). Transition from Primary to JHS remained steady at 94.3%, while completion rates reached 100.0% at Primary and 94.0% at JHS. Gender parity was achieved at Primary (GPI 1.01) and slightly improved at JHS (1.03), though it declined marginally at KG (0.98). Quality improvement remained a central focus, driven by reforms in teacher training and curriculum implementation. The proportion of trained teachers reached 98.2% at KG, 98.9% at Primary, and 99.0% at JHS.

However, learning outcomes, particularly at the foundational level, remain low. For instance, roughly a third of Primary 4 and Primary 6 students are below basic proficiency in Mathematics and English[2]. Overall, children in Ghana attain an average of 11.6 years of schooling, however this translates into only 5.7[3] years of effective learning, underscoring a significant learning deficit. Nearly 1.2 million children remain out of school, driven primarily by poverty, disability, and geographical disparities.

Systemic constraints, including inadequate infrastructure, limited teaching and learning materials, and the low adoption of digital tools, continue to hinder progress, particularly in rural and disadvantaged areas. The draft Inclusive Education Policy, revised in 2024 and awaiting Cabinet approval, provides a strong framework to improve learning outcomes and accelerate progress toward SDG 4.

[2] National Standardised Test (NST) Report, 2024
[3] UNICEF and World Bank, Learning Poverty Estimates, 2023

Despite relatively high levels of education financing, critical gaps remain in equity, inclusivity, and efficiency of spending. This Budget Brief therefore examines how education financing can be better aligned to advance equity, efficiency, and inclusion, key priorities for accelerating learning outcomes for all children in Ghana and advancing the country's progress toward its SDG 4 commitments.

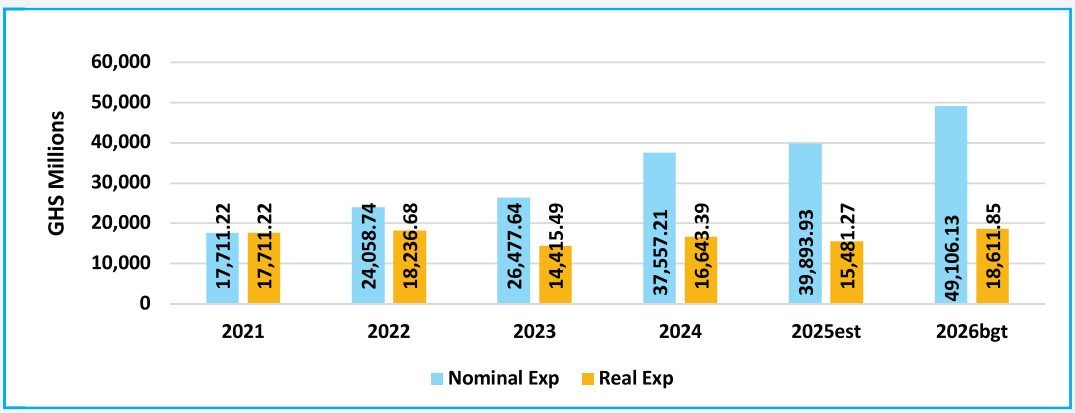


2 OVERVIEW OF TOTAL EDUCATION SECTOR FINANCING

2.1 Overall Education expenditure trends (2019–2026)

Total education financing through the Ministry of Education (MoE) and the Ghana Education Trust Fund (GETFund) increased in both nominal and real terms over 2021–2026, (Fig1). Between 2025 and 2026, expenditure is projected to rise from GHS 39.89 billion to GHS 49.11 billion in nominal terms (+23.1%), while real spending is projected to increase from GHS 15.48 billion to GHS 18.61 billion (+20.2%), indicating an expansion in both budget allocations and real resource availability, to boost financing for education service delivery.

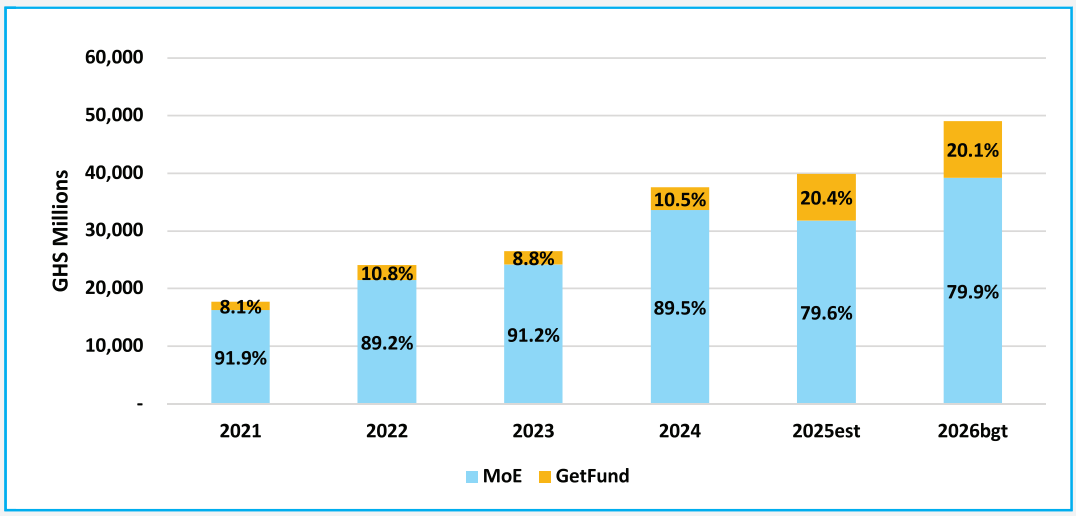
Figure 1: *Trends in total education expenditure (MoE+GETFund)*



Source: *MoE PBB Estimates (2021-2026); real values calculated using 2021 prices.*

Spending through MoE remains the primary channel for education financing. In 2026, MoE expenditure is projected at GHS 39.2 billion, up from an estimated GHS 31.8 billion in 2025. The Government is commended for removing the cap on the GETFund, previously imposed under the 2017 Earmarked Funds Capping Act, which now allows the Fund to fully receive the 2.5% GETFund levy. As a result, GETFund allocations are projected to reach GHS 9.9 billion in 2026, contributing to total education financing of GHS 49.1 billion. Consequently, GETFund's share of total education financing increased from 10.5% in 2024 to 20% between 2025 and 2026, (Fig 2).

Figure 2: *Trends in total education expenditure (MoE and GETFund)*



Source: *MoE PBB Estimates (2021-2026)*

The Government is encouraged to sustain this reform and protect the Fund from any future caps to ensure sustained and predictable education financing. Furthermore, given the decline in MoE financing in 2025, it is important to avoid offsetting the gains from GETFund's uncapping through reduced budget allocations to the MoE. Such a substitution effect would dilute the reform's intent and limit the expansion of fiscal space for education. GETFund resources should continue to complement, not replace, MoE financing.



2.2 Total Education expenditure against International Benchmarks

Ghana is making steady progress toward global education spending benchmarks, with total education expenditure projected to increase from 14.7% of the national budget in 2025 to 16.2% in 2026. When including education spending through the District Assemblies Common Fund (DACF)[4], this rises further to 16.7% of the total budget. However, as a share of GDP, education spending is expected to reach only 3.1% (or 3.2% with DACF) in 2026, below the international benchmark of 4-6% of GDP, and the pre-2022 average of 4.4%, indicating that education investment has not kept pace with the growth of the economy, (Fig 3a&b).

Figure 3a: *Education spending as a share total budget*

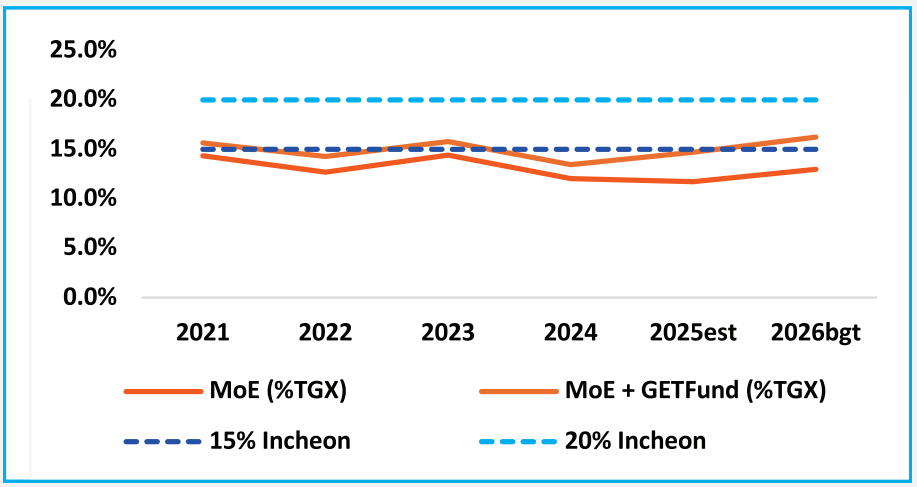
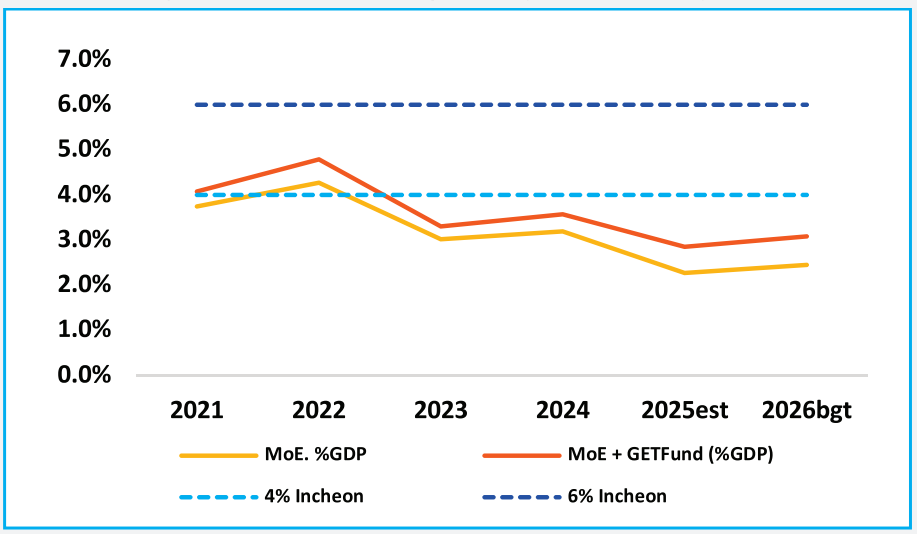


Figure 3b: *Education spending as a share of GDP*



Source: *MoE PBB Estimates (2021-2026)*

[4] A total of 20% of the DACF was allocated towards the construction of school infrastructure (10%) and procurement of school furniture (10%).

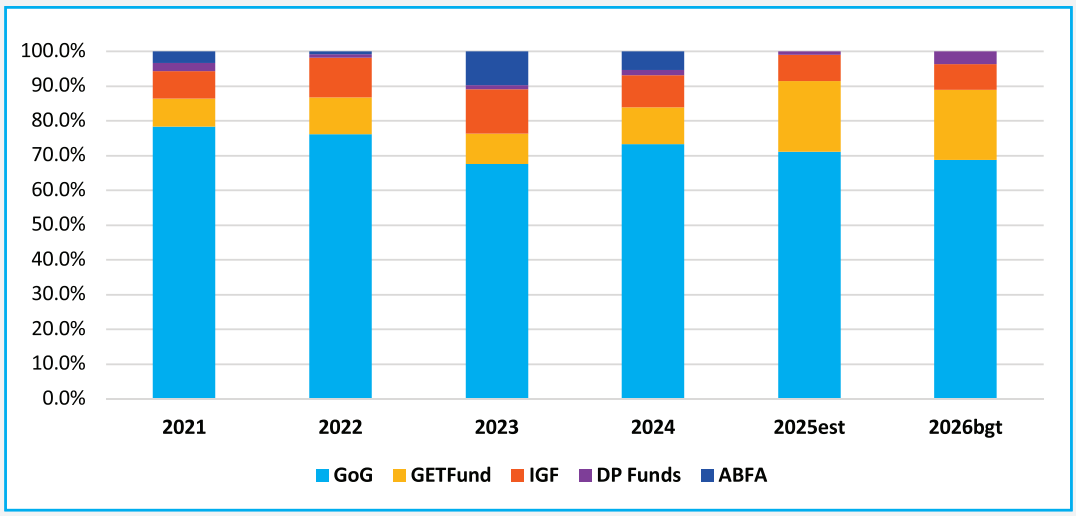


As fiscal space improves, Ghana will need to progressively scale up education financing toward the 20% budget benchmark and at least 4% of GDP, including through innovative financing mechanisms. Sustaining such levels of investment in the sector will be critical to expanding access, improving education quality, and accelerating the transition toward an ICT-enabled and future-ready education system that can equip learners with the skills needed for an increasingly AI-driven economy.

2.3 Sources of Education financing

Domestic resources continue to anchor Ghana's education financing, reflecting the Government's strong commitment to financing sovereignty and sustained investment in the sector. In 2026, domestic financing through GoG, GETFund, Internally Generated Funds (IGF), account for 96.4%, with Development Partner financing accounting for 3.6%, the highest since 2022, (Fig 4). This is partly driven by GHS 1.8 billion, mainly loan financing, from development partners, for capital investments. This underscores the complementary role of external financing, particularly in supporting infrastructure expansion.

Figure 4: *Trends in sources of total education financing*



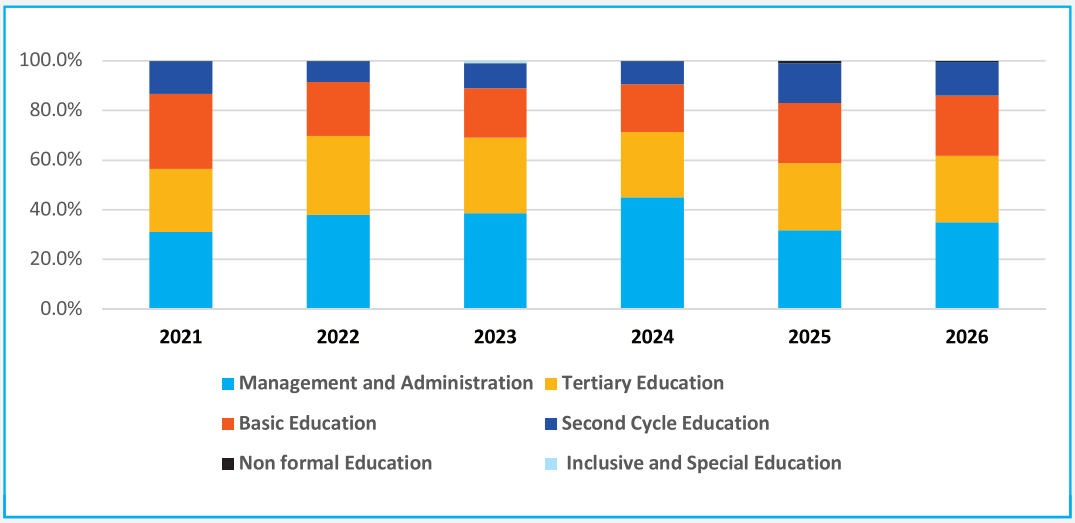
Source: *MoE PBB Estimates (2021-2026)*

2.4 Composition of Education financing

2.4.1 Composition of MoE Allocations by programmes and levels

Allocation towards basic education has declined markedly in recent years, falling from 30.2% of the MoE budget in 2021 to 19.6% in 2024, with a modest recovery projected at 24.3% in 2026, (Fig 5). This shift reflects a somewhat imbalance in the distribution of education resources, with implications for foundational learning and equity (discussed in 3.1). Evidence shows that countries allocating more than three times as much per secondary student compared to primary risk undermining the achievement of universal secondary education; Ghana's ratio currently stands at 4:1[5]. Rebalancing education financing toward basic education is therefore critical to strengthening foundational learning, promoting more equitable outcomes, and ensuring effective transition to secondary education. In 2026, Non-formal and Inclusive & Special education accounted for 0.9% and 0.1% of the total MoE budget.

Figure 5: *Composition of MoE allocation by Programmes*

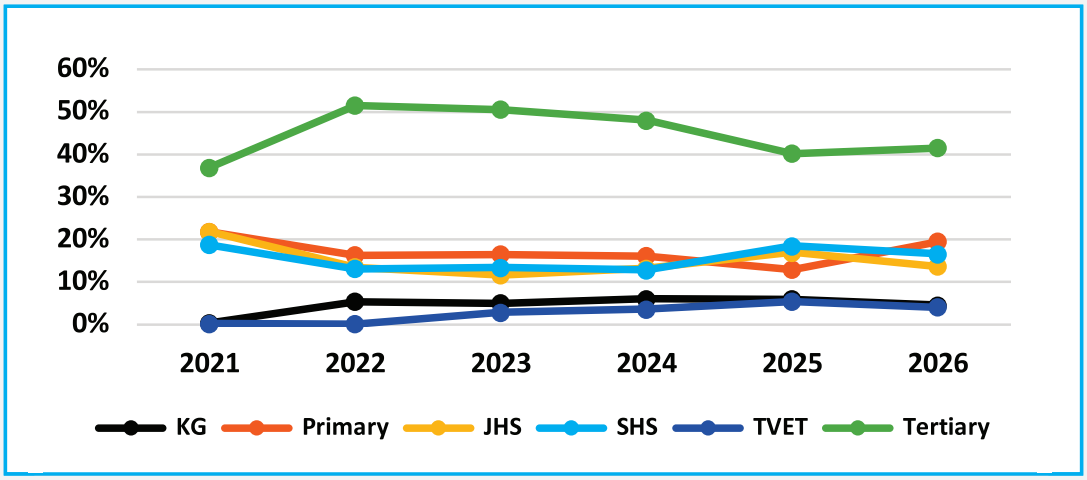


Source: *MoE PBB Estimates (2021-2026)*

Allocations by the MoE remain significantly skewed toward tertiary education, which accounts for 41.5% of the 2026 budget. In contrast, foundational levels, kindergarten and primary, receive relatively low investments at 4.5% and 19.5%, respectively, (Fig 6). This imbalance constrains early learning, with implications for equity and long-term outcomes, underscoring the need to rebalance spending toward foundational learning.

[5] World Bank, 2025 Policy Notes, Transforming Ghana in a generation, 2025.

Figure 6: *Trends in the composition of MoE allocations*

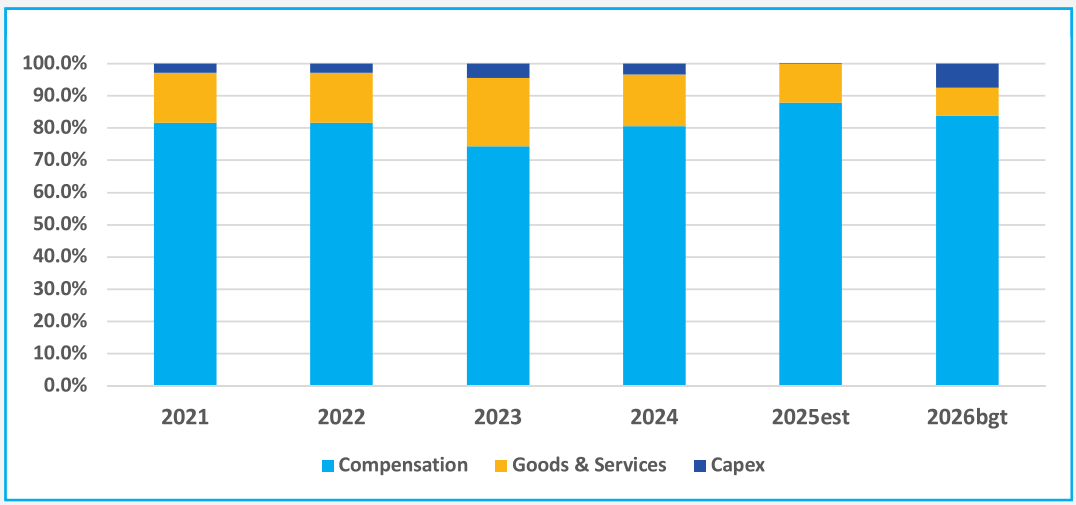


Source: MoE PBB Estimates (2021-2026)

2.4.2 Composition of MoE expenditure by economic classification

Wage expenditure continues to account for the largest share of MoE spending, with compensation projected to account for 83.8% of total spending in 2026, broadly consistent with the 81.2% average over 2021–2025. This underscores the importance of improving teacher effectiveness and ensuring more equitable deployment to maximise learning outcomes from this substantial investment[6].

Figure 7: *MoE expenditure by economic classification*



Source: *MoE PBB Estimates (2021-2026)*

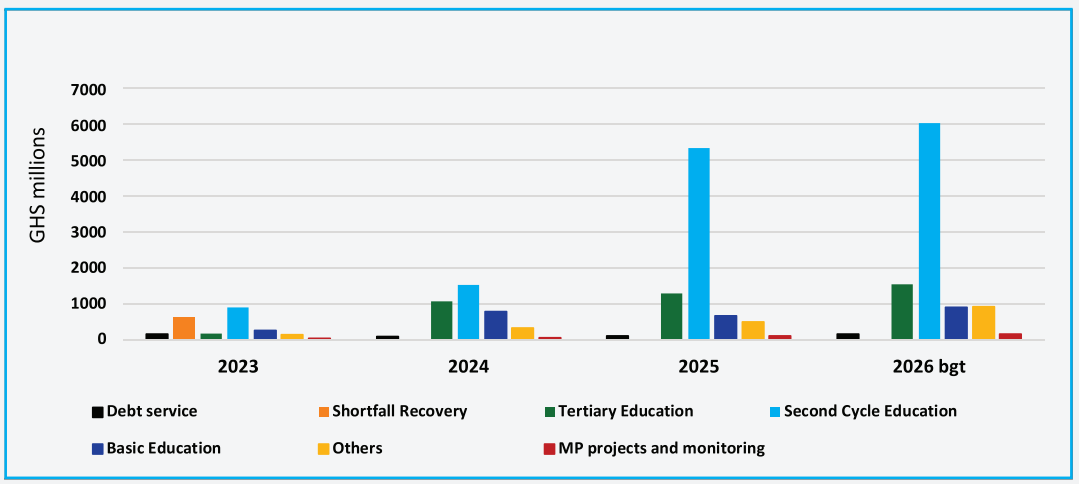
[6] UNICEF Office of Research-Innocenti, (2026), Improving Equity in Teacher Deployment in Ghana

Funding towards non-wage inputs remain constrained relative to compensation, despite their critical role as complementary factors for achieving quality learning outcomes. Spending on goods and services, such as teaching and learning materials and teacher training, is on a declining trend from 21.2% in 2023 to the projected 8.8% in 2026. Capital expenditure (Capex), which had been on the decline from a peak of 4.5% in 2023 to the estimated 0.1% in 2025, is projected to increase to 7.5%, reflecting efforts to expand education infrastructure. The higher Capex expenditure at GHS 1.8 billion is entirely funded by development partners. Of this, 75% is allocated towards second-cycle education, whilst basic education accounts for the remaining 25%.

2.4.3 Composition of GETFund expenditure

Expenditure through GETFund, primarily financing non-wage inputs[7], remains heavily skewed toward second-cycle education, accounting for 61.9% of the 2026 allocation, down slightly from the estimated 66.6% in 2025. Second-cycle expenditure largely reflects continued support to the Free Senior High School (SHS) policy. Basic education receives only 9.3%, a sharp decline from 20.3% in 2024, (Fig 8).

Figure 8: *Trend in composition of GETFund expenditure*



Source: *GETFund Formula 2023 - 2026*

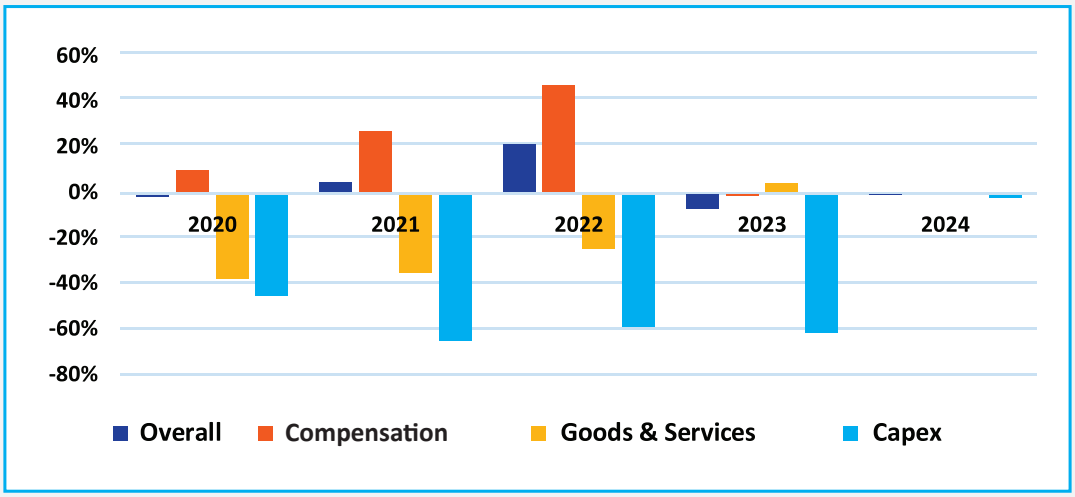
The overall imbalance in the expenditure mix raises concerns about the sustainability of progress toward universal secondary education. Inadequate investment at the foundational level weakens learning outcomes and limits students' readiness to transition to secondary education. As a result, many learners either drop out along the education cycle or fail to meet the minimum proficiency levels required for progression. Without stronger financing for basic education, gains at the secondary level risk being undermined, highlighting the need to rebalance investments toward early learning to ensure a more equitable and effective education system.

[7] Educational Infrastructure, Scholarships and Capacity Building, Teaching and Learning Resources, Support to Ministry of Education Programmes and Agencies, Research and Academic Development, Major Government Education Initiatives

2.5 Trends in MoE Budget Execution

Overall, MoE budget execution remains high and broadly within the ±5% PEFA thresholds[8], averaging 3.5% above approved budgets between 2020 and 2024. This is largely driven by persistent overruns in employee compensation, which averaged 16.4%, peaking at 46.8% in 2022 and contributed to a total budget overrun of 20.8%, in the same year. In contrast, critical non-wage inputs have been consistently under-executed, with goods & services and capex falling short by an annual average of 18.4% and 45.9%, respectively.

Figure 9: *Trends in MoE budget execution*



Source: *MoE PBB Estimates (2019-2026)*

This pattern raises concerns that essential inputs for improving learning, such as teaching and learning materials, teacher training, and infrastructure, may be deprioritised during budget implementation.

With capital expenditure projected to increase to 7.5% of the MoE budget, there is an urgent need to strengthen execution capacity, including streamlining procurement processes and ensuring timely release of funds, (especially given this is funded by development partners), to translate planned investments into improved education outcomes.

[8] According to PEFA 2016 Framework, for a score of "A" reflecting sound budget credibility, actual expenditure deviation from the originally approved budget should be no more than 5% in at least 2 of the last 3 years.

3 KEY ISSUES FOR REFORM

3.1 Strengthening equity of spending

Public spending on education through MoE remains broadly equitable at the primary level, where the richest children receive 13.7% more than the poorest, accounting for GHS 1.91 billion compared to GHS 1.68 billion in 2022, rising to GHS 2.93 billion versus GHS 2.58 billion in 2025, (Fig 10a&b). This suggests that strengthening investment at the primary level can play a pivotal role in promoting equity and improving overall learning outcomes for all children.



Figure 10a: *Distribution of MoE allocation across income groups, 2022, (GHS millions)*

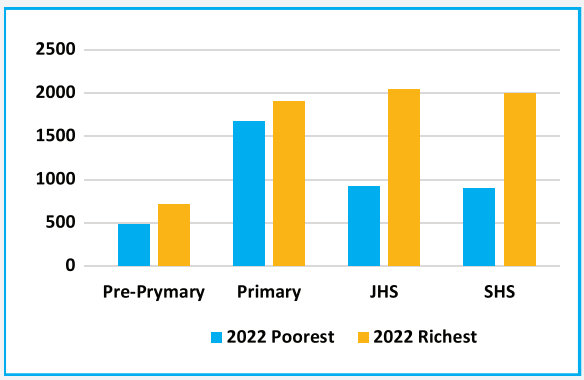
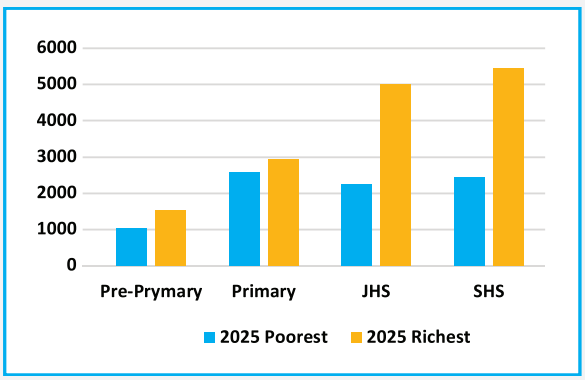


Figure 10b: *Distribution of MoE allocation across income groups, 2025, (GHS millions)*



Source: *Based on MoE PBB Estimates for 2022 and 2025 and enrolment data from 2022 DHS*

However, disparities widen significantly at higher levels of education. At both junior high school (JHS) and senior high school (SHS), children from the richest households receive more than twice the level of public spending compared to the poorest, at GHS 5.00 billion versus GHS 2.24 billion at JHS and GHS 5.46 billion versus GHS 2.44 billion at SHS in 2025. While spending has increased for all income groups between 2022 and 2025, absolute gaps have grown substantially, with differences widening to GHS 2.77 billion at JHS and GHS 3.01 billion at SHS.

Figure 11a: *GETFund allocation across income groups, 2022*

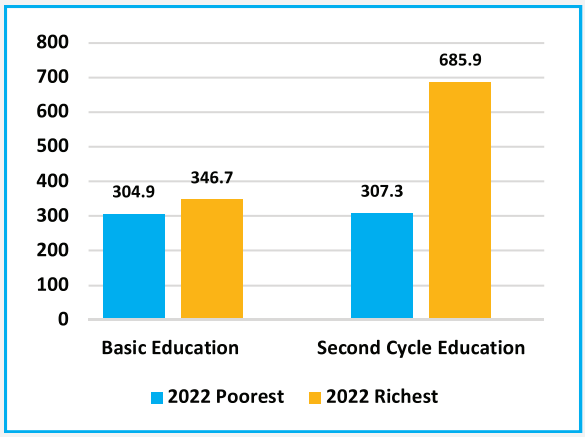
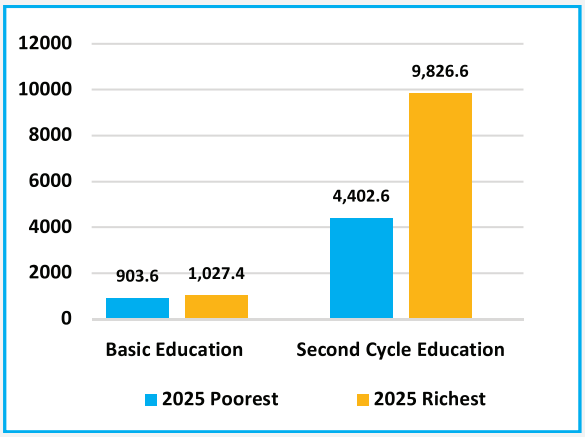


Figure 11b: *GETFund allocation across income groups, 2025*



Source: *Based on MoE PBB Estimates for 2022 and 2025 and enrolment data from 2022 DHS*

This pattern indicates a persistent pro-rich bias in secondary education, potentially reinforcing disparities in access, progression, and learning outcomes.

The pattern of inequity is also reflected in GETFund spending. Allocations to second-cycle education are disproportionately skewed towards children from the richest households, with absolute spending gaps widening sharply, from GHS 378.6 million in 2022 to GHS 5.42 billion in 2025. While overall GETFund spending has increased for both wealth groups, these gains have not translated into more equitable distribution of investment. The persistence of large and growing disparities suggests that additional resources are not being effectively targeted toward the most disadvantaged learners, limiting the potential of GETFund to reduce inequities in access and learning outcomes.

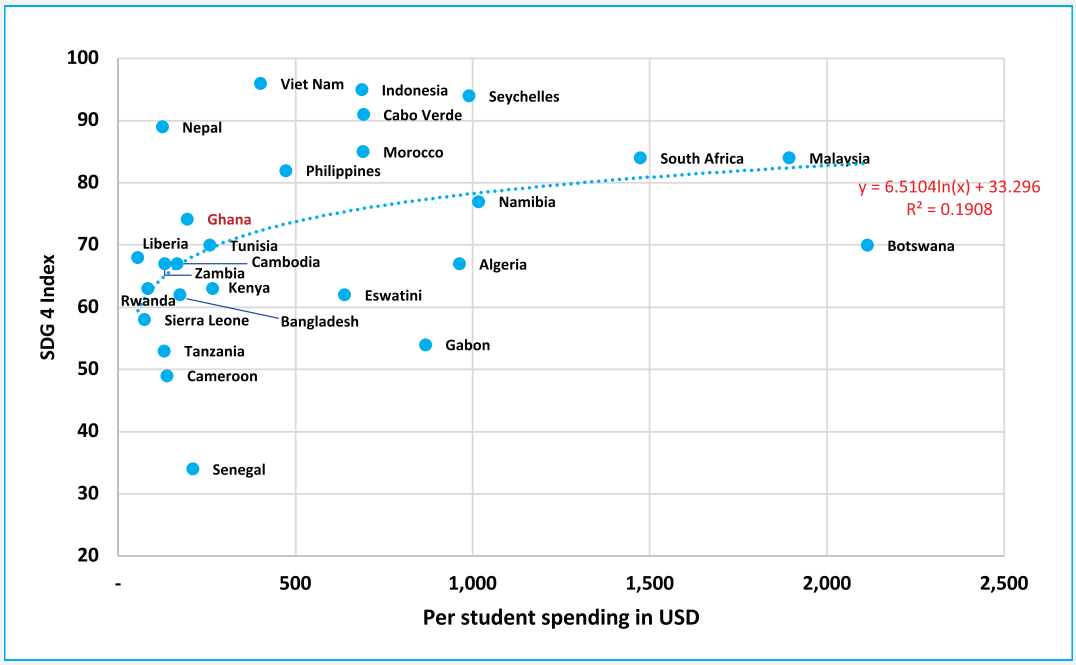
3.2 Efficiency of education spending

Efficiency was assessed using a regression analysis that compares per-student education spending with countries' overall SDG 4 performance, providing insights into how effectively systems convert investment into outcomes[9]. Using a logarithmic specification to account for diminishing returns and ceiling effects, the analysis shows that Ghana performs within predictable outcomes given its level of spending, indicating moderate efficiency.

Despite being above the efficiency frontier, Ghana remains below top-performing countries such as Viet Nam and Nepal, (Fig 12). Other strong performers, including Indonesia, the Philippines, and Morocco, also achieve better-than-expected outcomes relative to their spending, while less efficient systems such as Botswana, Gabon, Namibia, and Algeria spend more but achieve weaker outcomes.

[9] Data obtained from the World Bank (WDI) country average annual education expenditure (% of GDP) data from 2016 - 2023: Student data is based on UNESCO student enrolment data (latest available as at 2026) and SDG Report for 2025.

Figure 12: *Per student spending against SDG 4 Index in selected countries*



Source: *Based on World Bank WDI and UNESCO enrolment data*

In practical terms, Ghana's education system is broadly delivering outcomes in line with its level of investment, but there remains a performance gap relative to the most efficient countries. This suggests significant scope to improve the effectiveness of current investments. Key constraints limiting efficiency include inequitable teacher deployment, insufficient focus on foundational learning, and underinvestment in critical learning inputs such as teaching and learning materials, (discussed in Section 2.4).

3.3 Inclusive education

Children with disabilities remain among the most excluded from quality basic education. The 2021 Population and Housing Census identifies 219,022 children aged 5 to 15 with functional difficulties, of whom 35,609 (16%) are not attending school[10]. Among persons aged 15 and above, 39.3% of those with difficulty in performing activities have never attended school, more than twice the rate for those without difficulty (18.8%)[11]. These gaps carry measurable economic consequences that compound across generations, reducing household incomes, constraining national productivity, and limiting Ghana's ability to capitalise on its demographic dividend.

Allocations towards inclusive education remains low, averaging 0.2% of the MoE budget (between 2021 – 2026) against the 2% benchmark under Ghana's Inclusive Education Policy framework and implementation arrangements. Similarly,

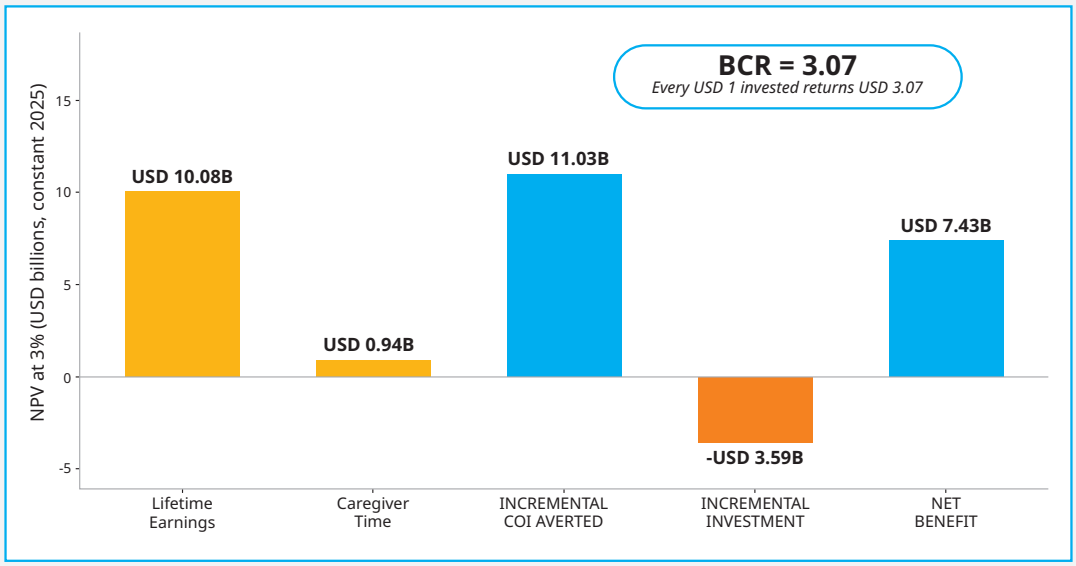
[10] Ghana Statistical Service. (2024). 2021 Population and Housing Census General Report Volume 3F: Difficulty in Performing Activities. Accra: GSS. Retrieved from https://census2021.statsghana.gov.gh/

[11] Ibid

only 1.01% of the 2026 GETFund allocation is directed to inclusive education. However, a UNICEF (2026) Cost of Inaction in Inclusive Education study shows that there are costs associated with this underinvestment.

Expanding inclusive education would help more children with disabilities learn, grow up to earn incomes, and reduce the time caregivers spend on unpaid care work. Over the period 2025–2050, the total benefits of scaling up inclusive education are estimated at about US$11.0 billion. This includes US$10.1 billion in higher lifetime earnings for persons with disabilities and about US$1.0 billion in savings from reduced caregiver time. The estimated additional investment needed is about US$3.6 billion. This means that every US$1 invested in inclusive education is expected to generate about US$3.07 in economic benefits, (Fig 13), in addition to other important social benefits that are not fully captured in these estimates. Overall, the positive benefit-cost ratio (BCR) provides a strong economic justification for increased investment in inclusive education in Ghana.

Figure 13: *Benefits, Costs and Net Benefits of Inclusive Education Scale Up (2025 - 2050)*



Source: *UNICEF (2026) Cost of Inaction Study on Inclusive Education in Ghana*

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