



Education Watch

March 2010

THE OIL AND GAS REVENUE MANAGEMENT BILL AND BASIC EDUCATION -A WINDOW OF HOPE.

The recent oil find has opened a new chapter in our resource governance discourse, making it possible for Ghanaians to decide on how oil revenues should be used. The Ministry of Finance has accordingly but without adequate consultation scheduled dates for public debates on the draft Petroleum Resources Revenue Management proposal which will provide a legal and policy guideline for the utilization of an estimated 1 Billion United States Dollars per annum of oil revenues expected to accrue to the Government of Ghana from September 2010.

Experience shows that whereas some countries decide to use oil revenues to fund the national budget, some invest oil revenues in viable capital investments that are significant in catalyzing the national agenda. The expected 1 Billion USD from oil revenue per annum adds up to about 30% of the budget portfolio for 2010. This is highly significant in the sense that, should oil revenues be used to fund the budget, it will lead to a 30% increase in the nations budgetary portfolio, expanding the prospects for new hospitals to be built, better salaries for public sector workers, a better resourced police service, more kilometers of

road, efficient energy supply etc. But in all these, priority makes a good manager. It is therefore imperative to commit a significant chunk of the expected revenue into highly significant and critical sectors of the economy.

The current 31% of budgetary allocation to education sector does not only mean it is the most important, but also it has the highest financial requirements, recognizing the fact that Government commits to providing the education rights of some 6.5 million children in basic schools and close to 1 million students in second cycle and tertiary schools. It is interesting to note however that, the sector has the highest budget deficit, with an annual financing gap of about 500 Million USD. The huge financing gap, coupled with the dominance of re current expenditure (97%) in the sector budget hugely limits Governments ability to embark on capital projects-building schools, teachers bungalows, libraries etc, especially in rural areas. This is the main reason for the over 20,000 classrooms deficits, schools under trees and lack of teacher accommodation in rural areas, which ultimately affects teacher deployment.

The development of education for poverty eradication should be a non negotiable legacy from our oil find. This is the only way to ensure that generations unborn, especially in rural Ghana, evade poverty. I do agree with the President's proposal to invest oil revenues in human development, except that such investments should specifically go into capital education investments rather than re current.

GNECC proposes that a minimum investment of 10% of expected oil revenues should be invested in basic education infrastructure. The development of education infrastructure, especially at the basic level, is a huge challenge to education development in Ghana, with over 2,500 new school buildings needed and 18,000 schools without toilet facilities. Achieving the Millennium Development Goals on Education in Ghana will become a mirage if groundbreaking initiatives are not employed to solve education infrastructure issues once and for all.

A simple scenario is proposed here: The current cost of building a fully furnished basic school stands at 75,000 USD while the cost of constructing a six unit chamber and hall teacher's quarters is about 25,000 USD. This means that the proposed 10% i.e. 100 Million USD per annum investment in basic education infrastructure will be enough to produce a thousand schools in a year leaving a surplus 25 Million USD for building about 1,000 six unit chamber and hall teachers quarters for rural teachers. Using this scenario, the age old classroom and teacher housing deficits will be solved in just two years.

Once the 10% oil revenues takes care of basic school infrastructure, the GET fund and District Assemblies can concentrate on expanding and developing secondary and tertiary education infrastructure. By the end of the third year, Ghana would have very little to complain about school buildings, teachers quarters etc.

In this respect, an independent body, rather than the Ghana Education Service or District Assemblies should be constituted to manage the fund which could be referred to as –Basic Education Infrastructure Catalytic Fund, which will be managed by a board that will be directly accountable to the Minister of Education. Unlike the GET fund, the board will operate through decentralized units in all ten regional capitals, preferably within the Regional Coordinating Councils and exercise direct oversight on projects in the districts, in collaboration with District Assemblies. This will strengthen supervision and eliminate the lapses in monitoring and supervision created as a result of the over centralization of the GET fund.

With only five years to the MDG finish line, 930,141 children remain outside the classroom. The lip service is too much. It is action time. We need to take bold decisions to solve tough problems. Tough problems cannot be solved with regular “business as usual” approaches. Government needs to be innovative, decisive and bold in this respect. The state has a responsibility to provide quality education for all children of basic school going age. This cannot materialize without a decent classroom environment. Lets without hesitation commit 10% of oil revenue to basic education infrastructure. The time to act is now, or never. Education for All: Fund it now.

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