

Tracking Capitation Grant In Public Primary Schools In Ghana

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■ Introduction

The abolition of school fees especially at the basic education level has been adopted by many countries as one of the key policy interventions for influencing education outcomes. In 2004, Ghana adopted a school fees abolition policy, the Capitation Grant (CG), to spur the attainment of universal access to the basic education goal under the Ghana Growth and Poverty Reduction Strategy (GPRS II) and meet its Millennium Development Goal (MDG) targets (2 and 3).

Since the introduction of the CG in Ghana, many studies have been conducted by government, development partners, civil society and other stakeholders in education. These studies have however focused largely on the effects, impact and outcomes of the policy on school enrolment, completion rates and quality outcomes. Not much research has been done to track the disbursement, management and use of the CG. The CG would only be successful in ensuring universal basic education if resources allocated to the grant reach beneficiary schools and at the same time used for its intended purpose.

This study therefore tracks possible leakages and inefficiencies in the disbursement and usage of the CG in thirty (30) public basic schools in Ghana. In particular, the study provides empirical evidence on the leakage (if any) of financial resources allocated to the CG by tracking disbursed resources from the Ghana Education Service (GES) through to the District Education Units and finally, at the service delivery

points (schools). More importantly, the study examined the usage of the grant at the beneficiary schools and assessed the robustness of the transparency and accountability measures for the appropriate and efficient usage of the funds.

■ Education in Ghana

Education has been regarded in all societies and throughout human history both as an end in itself and as a means for the individual and society to grow. It is not only “the key to sustainable development,” but also “a fundamental human right (Bruns et al, 2003; World Bank, 2003). As a result, various efforts have been made towards achieving Education for All (EFA). However, progress has not been impressive, particularly in Africa where most of the world’s out-of-school children live.

Insufficient [public] funding has been identified as one of the most prevalent obstacles for this situation and there is rich and growing literature on the cost and financing of education. Consequently, the abolition of school fees¹ especially at the basic education level has been adopted by many countries as one of the key policy interventions for influencing education outcomes (USAID, 2007).

¹ Fees represent a significant proportion of household spending, although this proportion varies widely from country to country. It is universally the case that the proportion is highest for the poorest households. Too little is known about the determinants of enrollment and learning, but fees are certainly obstacles in many, but not all, cases (World Bank, 2004).

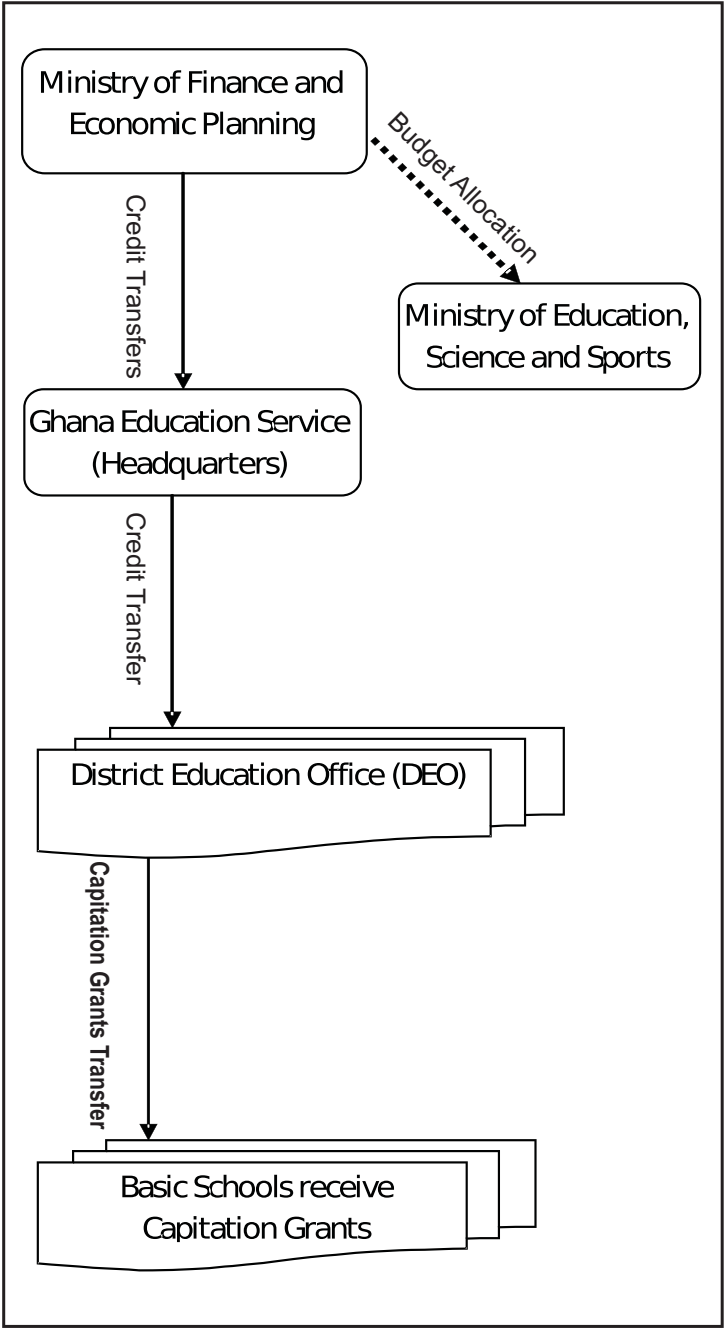
UNICEF has organized a campaign to eliminate all primary education user fees and costs in Africa. USAID’s position is that it will not support the introduction of fees at primary level. Where fees are already in place, USAID believes that: “to the extent possible, public funding for basic education should replace user fees— including tuition as well as school uniforms, textbooks, and educational materials. Where user fees for basic education are in place, governments should be encouraged to take deliberate steps to replace them with adequate public funding, by shifting current public spending away from lower priority uses, developing appropriate new revenue sources, or a combination of both. In the meantime, government should not be encouraged simply to drop school fees before securing adequate sources of public funding to replace them.

Determined to get more children into school therefore, the Government of Ghana re-launched the policy of free Compulsory Universal Basic Education (fCUBE) in 1995 supported by the World Bank Primary School Development Project (PSDP). As a cost-sharing scheme, the fCUBE was designed to cover non-tuition fees. Parents were expected to bear limited educational expenses. More importantly, no child was to be turned away from school for non-payment of fees. But the initiative did not work well as expected. A persistent 40% of children between 6 and 11 years of age in Ghana remained out of school as of 2003 (UNICEF, 2007).

In addressing the challenges to universal basic education, the Government of Ghana rolled out two pilot primary education improvement policy initiatives - the Capitation Grant Scheme² (CG) and the School Feeding Program (SFP) in the 2004/05 academic year. These initiatives aimed at helping poor parents meet the cost of primary education and improve the nutrition of children, especially poor children (African Education Watch, 2008).

The implementation of the CG or School Fees Abolition Initiative (SFAI) in Ghana, like in other Sub-Saharan African countries is however not without challenges. Corruption, leakages, poor record keeping, misappropriation of resources among others have been identified as major bottle-necks (see World Bank 2009; GII/AEW, 2008; MoESS, 2008; GES 2008; GNECC, 2007).

Figure 1: Capitation Grant funds flow chart



Operational guidelines for implementing the current Capitation Grant policy

■ Selection of Schools

All registered public schools with the GES in the selected districts should have a code with the Education Management Information System (EMIS) as well as the Integrated Personnel and Payroll System Database to facilitate monitoring and assessment of the impact of the program.

² In 2005/2006 academic year, the Ministry of Education in Ghana set up a Capitation grant scheme where every registered public primary school in Ghana received an amount of \$3.30 per pupil enrolled per year. The Ministry of finance transfers the amount to the Ghana Education Service directly and they in turn transfer to the district directorates and finally the schools. Pupils do not individually apply for the amount. The amounts are allocated to all public basic schools based on their enrolment.

■ The Number of Pupils

The actual enrollment at the end of the third term for the previous year is used as the base and is then projected upward, using expected enrollment growth to calculate the estimated number of pupils. This figure is then used for budget purposes. Enrollment numbers for actual disbursement, however, should be based on actual figures.

■ Eligible Expenditure

The capitation grants are to be used to support the implementation of the School Performance Improvement Plan (SPIP).

■ Management of the Grant

The key players in the management of the capitation grant are the following: District Director of Education (DDE), Assistant Director Supervision, Circuit Supervisors, District Accountant, School Management Committee (SMC), and Head Teacher.

■ Preparation of a School Performance Improvement Plan

The SPIP is to be designed to cover the following areas: components and targets, actions to be taken, who is responsible, resources needed, time frame, and who monitors. Some of the key activities to be undertaken are the following: enrollment drives, provision of teaching and learning materials, school management (including stationery), community and school relationship, support to needy pupils, school and cluster-based in-service training, minor repairs, and payment of sports and culture levies (to be approved nationally).

The SPIP is to be prepared by the head teacher or staff with the approval of the SMC. It is to cover the entire academic year but should be broken down into terms. The SMC is to oversee the implementation of the SPIP. The SPIP is then forwarded to the DDE for review and approval. The review will ensure that the activities undertaken are in line with the Education Strategic Plan and other priority areas of education.

■ Special Bank Account

The district education office should open a special account to lodge funds for the capitation grants. The signatories to this account are the DDE and the District Accountant. To ensure smooth implementation of the school programs, separate bank accounts should also be opened by the district for each school. The signatories to the school account are the head teacher and the assistant.

■ Release of Funds

A projected estimate of enrollment levels in each school is made at the beginning of each academic year [based on the GER (Gross Enrolment Ratio) for the district]. This estimate is the basis for the transfer of 50 percent of funds to the school at the beginning of the first term. Subsequent transfers for the first term are dependent on the submission of adequate returns on the actual enrollment for the school in the course of the term. For the second and third terms, based on the enrollment levels as established in the first term, funds are transferred to schools at the beginning of term. Efforts should, however, be made to confirm that these enrollment figures have not changed because of attrition.

■ Disbursement Process

The executor of an activity within the SPIP applies to the head teacher for funds with a Request Form. A cash equivalent to that activity is withdrawn from the bank, an Advance Form is completed, and cash is given to the executor to be used for the purpose indicated on the request form. After the completion of the activity, the executor submits the relevant documentation (receipts, honor certificates, and activity report) to the head teacher and completes an Accounting for Advances Form to end the process.

■ Management Control

At the school level, requests for funds are to be endorsed by both the SMC chairman and the head teacher. These persons are jointly responsible for the use of funds to attain targets set out in the SPIP.

■ Record Keeping

The school is to maintain financial records, which document all capitation grants disbursed and received, along with all appropriate receipts and documentation. These records are to be made available for the review of the SMC, the district education office, and the internal audit office.

■ Reporting Process

Monthly and quarterly reports describing activities (both completed and underway) during the period, together with a statement of expenditures for these activities, are to be sent to the district education office by the head teacher and the SMC chairman. The district education office is also to report on a quarterly basis to the director general on capitation grant operations.

■ Monitoring Mechanisms

The circuit supervisor is to visit each school twice per term and report to the district education office on the following: abolition of all levies in the school, implementation status of the SPIP, and submission of all reports on a timely basis. The DDE as well as the district teacher support team and district head teacher adviser are to pay regular visits to each school to review progress on implementation of activities. Progress reports are to be submitted by the head teacher through the SMC to the DDE. The regional monitoring teams are to monitor and report on the disbursement and use of funds at the districts and schools on a term-by-term basis.

■ Audit Process

The GES internal auditors will monitor the school accounts and will conduct at least one audit of the use of the capitation grants, half yearly. They will submit copies of their report to the SMC, the DDE, and the regional director of education.

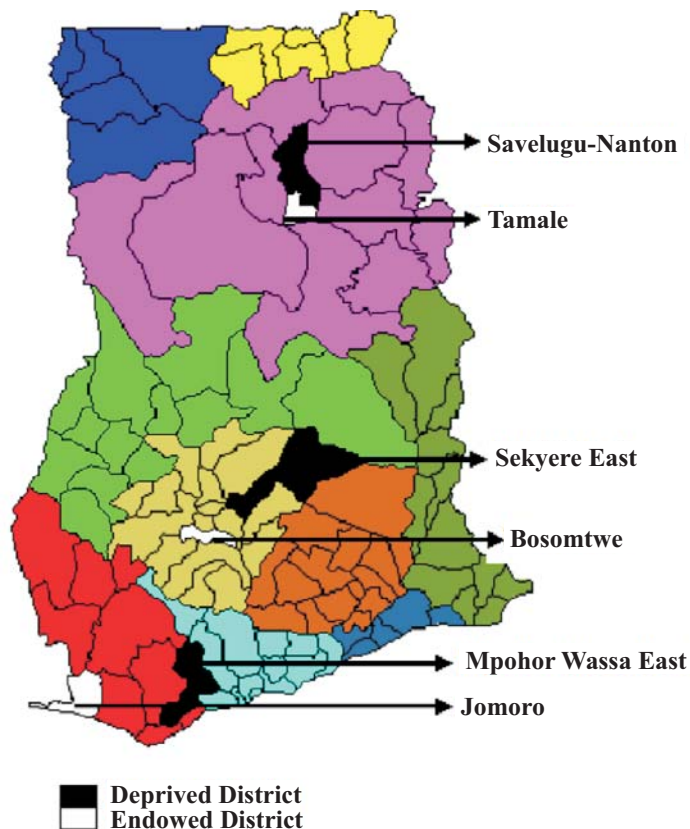
Source: Ghana Education Service, 2005: Guidelines for the distribution and utilization of Capitation Grants.

■ Methodology

The Ghana Center for Democratic Development (CDD-Ghana) therefore decided to undertake this public expenditure tracking study to track possible leakages and inefficiencies in the disbursement and usage of the CG in thirty (30) public primary schools in Ghana in the 2008/09 academic year. In particular, the study provides empirical evidence on leakages from the Ghana Education Service (GES) through the District Education Units to the service delivery points. In carrying out the study, researchers combined both

primary and secondary research methods to gather necessary information from different respondents. The fieldwork spanned fifteen days and entailed field research assistants interviewing key officials at the District Education Offices (e.g. District Directors/Accountants), head teachers (or their assistants), teachers, officials of Parent Teacher Associations/School Management Committees (PTA/SMC) and a select number of parents of pupils of sampled primary schools under the monitoring and supervision of research officers of CDD-Ghana. In addition, field assistants conducted focus group

Capitation Grant Tracking Survey Districts



discussions with pupils in randomly selected schools. Besides using the structured interview questionnaire to gather information, field assistants were also made to collect documentary evidence (e.g. bank statements, receipts and disbursement records) from these key officials.

■ General Findings

Generally, researchers found leakages³ in course of the transfer of CG from GES to districts and from the districts to beneficiary schools. However, leakages tend to be more pervasive with the transfer between districts and schools. The level of leakages cut across both endowed and underprivileged schools. Again, researchers found that disbursement of the CG from GES to district education offices and from the latter to beneficiary institutions are not timely as demanded by the CG implementation guidelines. There was no difference in the period that deprived and endowed beneficiary schools received their CG. It was also evident that there was no difference in the accounting practices and application of capitation resources for School Performance Improvement Programs (SPIP) items in schools that piloted the CG and those that came on board during the scaling up to cover the entire country. Finally, researchers conveniently conclude that schools with effective Parent Teacher Associations (PTAs) and School Management Committees (SMCs) use CG resources more effectively or for the intended purposes than those with weak PTAs and SMCs.

■ Key Finding

General enrolment levels have increased after the introduction of the capitation grant.⁴ Basic school enrolment since the introduction of the CG has been on the rise. The DEOs and GES basic school enrolment figures for the six surveyed districts showed growth rates of 13% and 17% respectively between 2005/06 and 2008/09 academic years. The differences in growth

rates notwithstanding, enrolment has been on the rise and the CG is perceived as a major contributory factor.⁵

Challenges to education in communities persist in spite of the implementation of the CG for the past 5 years. These challenges can be grouped into major categories namely infrastructure and funding; teacher motivation; socioeconomic; and attitudinal factors. Some education experts attribute the persistence of these challenges to the surge in enrolment associated with the implementation of the capitation grant program.

The releases of the grant have been quite irregular, irrespective of the releasing agent (i.e. MOFEP or DDE). There appears to be no fixed time period for the release of the CG from the GES to the DDE and from the latter to beneficiary schools.

The CG implementation is saddled by poor record keeping by schools, which made retrieval of financial records especially in schools with newly appointed or transferred school heads very difficult. Comparatively, District Education Offices had relatively more detailed records on the CG receipts and payments for previous as well as the 2008/09 academic years. To a large extent, the financial records procured from District Directors confirmed this. Indeed, poor record keeping and irregular disbursement of the CG by the GES and districts were identified as the two major factors accounting for the difficulties researchers faced in securing documentary evidence.

Most of the schools still charged levies/fees as a result of inadequacy and delays in release of CG. Many stakeholders in education at the school level including headteachers, teachers and PTA and SMC executives admitted that schools still charged levies irrespective of the capitation grant to guarantee the smooth functioning of schools. In contrast to the findings of this study, some education officials at the GES attribute the charging of

³ By leakages we refer to differences between resources transferred at a higher level and resources received at a subsequent level. See Ghana PETS (2007) which examined leakages between GES and DEOs.

⁴ Studies by Akyeampong et al (2007) showed that from 1998 to 2003, Gross Enrolment Ratios (GER) for all levels of pretertiary education had remained at a near constant level, only rising slightly in 2003.

⁵ See. World Bank 2009; Osei 2009; Akyeampong 2007 etc

fees to the introduction of examination fees. It appears both the SMCs and PTAs are well informed on the CG and are involved in monitoring grant usage. Majority of the schools surveyed had SMCs and PTAs. Most of SMC/PTAs executives knew what schools in general as well as their ward's schools used the CG for. PTA and SMC executives identified renovation works on school structures; maintenance of furniture; purchase of sports equipments, textbooks; printing of examination papers; first aid; sanitation and hygiene materials and in service training as some of the uses of CG in their schools.

Only 17% of schools surveyed submitted their SPIPs in time for each of the three terms of the 2008/09 academic year. Five out of the six District Directors indicated that basic schools in their districts have SPIPs. They also reported that all schools under their charge had completed their SPIPs in each term of the 2008/09 academic year and submitted them in order to access their share of the CG.

Schools never displayed their SPIPs on school notice boards in accordance with the guidelines for implementing the CG. On the display of SPIPs, 33% of District Directors reported that schools never displayed their SPIPs on school notice boards in accordance with the guidelines for implementing the CG. This was confirmed by the fact that just about half of head teachers (57%), teachers (52%) and PTA/SMC executives (54%) said their schools (or wards' schools) displayed their SPIPs publicly. Rather than school notice boards, headteachers' offices were the commonest location for the display of SPIPs.

CG is mainly expended on sports/cultural activities, hygiene/sanitation facilities, furniture /fixtures/fittings, infrastructural works and teaching/learning materials. It is also clear that schools actually spend some portions of the CG on unapproved procurements. For instance, some used the CG to service PTA/SMC executive meetings, office equipment such as computers and printers, paying community pupil teachers, transport and travels for headteachers and teachers (i.e. management expenditure), Independence Day parades, speech and prize giving days, acquisition of kitchen utensils,

undertake farming activities etc. **In general, all stakeholders interviewed assessed a select number of facilities to be available but inadequate.** Nevertheless, health facilities received the lowest mean scores from all the respondents. Similarly, District Directors and headteachers' mean scores for school structures and sports equipment respectively, compared to those of the other respondents were comparatively lower.

Generally, the current condition of school facilities was assessed as good. However, akin to the assessment on facilities' availability, health facilities and sports equipment mean scores are quite low on the scorecards of District Directors, headteachers, teachers and parents.

The condition of most of the facilities and the academic environment generally improved with the implementation of the CG policy as confirmed by the assessments of all the stakeholders interviewed.

In general, majority of the stakeholders believe the CG per pupil is inadequate. Two-thirds of District Director said the CG amount received by schools in their districts is inadequate. This opinion is shared by the majority of headteachers, teachers, PTA/SMC executives and parents. Officials of the GES however concede that any further increase in the CG amount would be unsustainable.

Only a small proportion of respondents concluded that the CG had significantly reduced the financial burden of parents. Given the CG per pupil amounts stakeholders at the school level proposed for government to provide, researchers estimated GH¢7.50 as an amount that will be fair to all the stakeholders.

The overall satisfaction with the use of the CG by school authorities in the districts (or schools) was quite encouraging. Headteachers, teachers, District Directors, PTA/SMC executives and parents expressed satisfaction with the usage of the grant. Pupils also remained satisfied with the use of the CG in their schools.

Policy Recommendations

1. The spending pattern of CG must be evaluated to

- determine whether it is conducive to improving education outcomes as anticipated by the policy.
2. The relationship between allocation, equity and improved quality outcomes in the education sector must be assessed.
 3. Policy measures that will gradually align education policy outcomes from enrolment explosion as a result of CG and other supportive programs to quality outcomes must be formulated and implemented.
 4. The fixed amount CG per pupil per year must be reconsidered. Equity and need factor should be the basis for calculation. As it is now, it might in the long run widen the social inequality gap because schools with larger population will have more and will be able to meet basic essentials than smaller schools.
 5. Education sector policy makers need to examine enrolment periods of basic schools to establish cutoff points to aid early submission of school and district enrolment records to the GES and the Ministry of Finance for release of the CG funds. Discussions with officials at the district levels and the GES indicate that continuous enrolment often leads to over population in the schools and lesser funds from the Ministry.
 6. The CG implementation guidelines call for timely release of the grant to all districts and schools. This must be strictly enforced to make the policy effective.
 7. Serious efforts should be made to simplify the SPIP forms to reduce the workload on heads of schools as some heads do not access the CG simply because the amount of paper work is a deterrent.
 8. There is the need for continuous monitoring support and improvement in the internal management and implementation processes of the grant, particularly reviewing and revising the implementation guidelines to meet changing trends.
 9. Given that the dynamics of power between school heads and SMCs members sometimes tend to be collusive, PTAs could be made grant signatories to increase demand for transparency and accountability by actors outside of the formal management structure of schools.
 10. To have more lettered and technical persons on SMCs to improve their effectiveness and efficiency in the discharge of their oversight responsibilities, the GES should consider establishing SMCs for a cluster of schools within a particular area just like the current grouping of schools into circuits for effective supervision.
 11. Serious policy efforts should be made to gradually computerize the administration of the CG at the district and school levels to ensure proper records keeping, effective reporting and monitoring. Meanwhile, there should be a policy to sanction heads of districts and schools who fail to keep up-to-date and accurate records.
 12. The GES should make it a policy that Banks demand copies of SPIPs vetted and approved by district education offices before releasing CG funds to schools.
 13. The Ministry of Finance and GES could publish the release and disbursement of funds to the districts in the daily newspapers and on their respective websites for each district to know how much has been released to it by the ministry. District Education officials will then account for the funds received to their respective Metropolitan, Municipal and District Assemblies. Assembly Members can also follow up to schools in their various localities for monitoring and verification of receipts.
 14. Education sector policy makers and stakeholders need to undertake cost impact analysis of the Capitation Grant scheme vis-à-vis other education sector policies such as the school feeding program, free school uniforms etc. to assess the long term viability and financial sustainability of these programs.

15. Finally, the fact that challenges to education seems indifferent to the policy interventions is problematic and calls for critical policy review to align policy with expected outcomes. Indeed, the recurrent nature of some of the challenges to education as identified in the study communities raises concern about the long term impact of some national efforts at achieving Education for ALL (EFA) goals in Ghana by 2015.

■ Results for Development (R4D)

The TAP (Transparency and Accountability Program) project is one of the many service delivery projects being undertaken by the Results for Development (R4D). The Results for Development Institute (R4D) is a nonprofit organization dedicated to accelerating social and economic progress in low and middle income countries. It provides policy analysis, critical information, decision-making tools, and policy advice to governments, civil society organizations, and international funders in order to stimulate positive

change. With expertise in many areas – including specialties in economics and finance, health policy, education, and governance, R4D works with leaders, globally and at country level, to design and test solutions to some of the world's biggest development challenges. The TAP project is a peer learning effort to build the capacity of Independent Monitoring Organizations (IOMs) like CDD-Ghana in low and middle income countries to seek greater efficiency and equity in public spending in the social sectors.

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