



AN ANALYSIS OF THE 2025 BUDGET:

A FOCUS ON BASIC EDUCATION



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1. Introduction

All over the world, national budgets represent the government's political, social and economic commitments to its citizenry. For Civil Society Organisations (CSOs) interested in education development, particularly at the basic level, this year's budget under the theme, "Resetting The Economy For The Ghana We Want 2025 Budget" is crucial for two reasons. First, a major international funding source for education and other inclusive development projects targeting the Sustainable Development Goals (SDGs) has been discontinued. In the past year, bilateral support from USAID totalled over \$150 million, which is dedicated to supporting health, economic growth, agriculture, education, governance, and more . This will weigh heavily on government financing for some of these projects. Secondly, there has been a change in government; hence, it is most likely a change in policy focus with respect to priority areas and expenditure commitment. This analysis, therefore, seeks to assess the overall likely impact of the budget on basic education. The budget analysis is structured as follows: Section one presents an overview of the performance of the 2024 budget and the outlook for 2025. Section two examines key budgetary allocations of 2024 against 2025, and Section three focuses on the key policy issues concerning the basic education sector. Section four concludes the analysis and makes some policy recommendations.

2. Overview of 2024 Budget Performance and Outlook for 2025

The global economy is still recovering from the COVID-19 pandemic, with many countries still not reaching their pre-COVID economic growth levels. The global economy is projected to grow at 3.3 per cent, slightly higher than in 2024 (3.2%) (See Figure 1). The moderate expectation is due to persistent inflationary pressures, particularly in emerging markets and developing economies, dwindling fiscal support, and slower improvements in structural reforms. However, growth for sub-Saharan Africa in 2025 is projected to be 4.2 per cent from 3.8 per cent, representing about a 10.53 per cent increase, while that of the ECOWAS sub-region is expected to grow at 4.3 per cent in 2025. The positive projection is based on easing financial conditions and continued declines in inflation. Inflation in the region is expected to decline to 12.3 per cent compared to the 2023 figure of 15.8 per cent, while that of ECOWAS also falls to 16.7 per cent compared to 17 per cent over the same period.

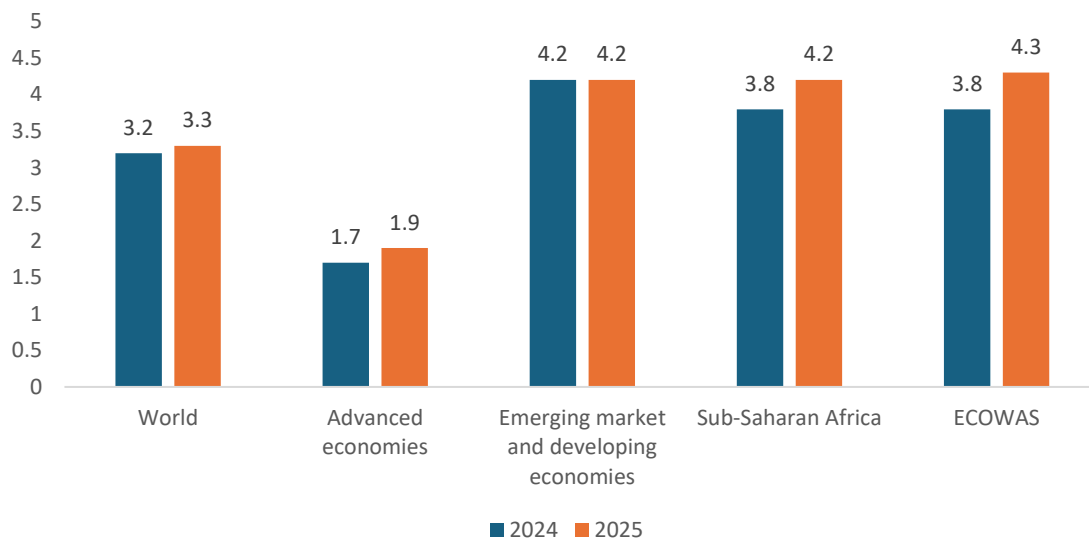


Figure 1: Global Economic Growth Rates

Source: Author's based on data from the 2025 Budget

The projections for the Ghanaian economy is slightly below those of the region and sub-region. Overall growth at the end of 2025 is expected to be 4 per cent, while the Non-oil growth is projected to be 4.8 per cent, as shown in Figure 2. The 2025 overall GDP is also less than the projected outturn 2024, which was 5.7 percent. The conservative estimates are perhaps due to the slowdown in the economy in the last quarter of 2024 and the targets set under the IMF programme.

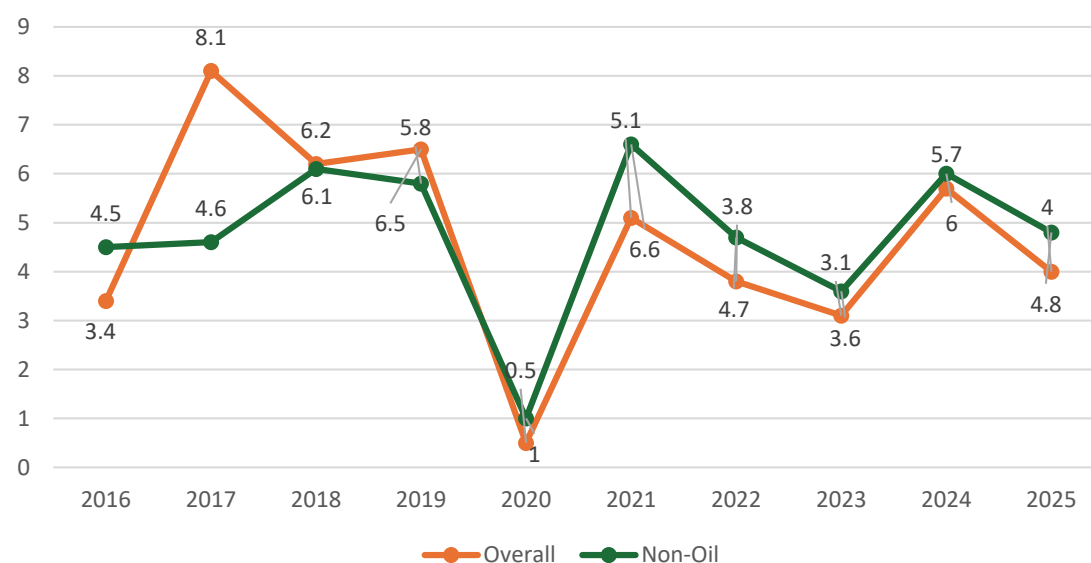


Figure 2: Real GDP growth for Ghana between 2016 – 2025.


Source: Author's based on data from the 2025 Budget

Inflation, a key measure of the cost of living, remains a major challenge as the end-of-year inflation for 2024 is 23.8 per cent, which is far higher than the rationalised ECOWAS convergence criteria of at most 5 per cent. On the other hand, the debt as a percentage of GDP is expected to end the year at 61.8 per cent, far below the ECOWAS convergence criteria of at most 70 per cent. This is partly due to the debt restructuring and the country's inability to access the Eurobond market. The overall budget deficit at the end of 2024 is expected to be 5.2 per cent of GDP compared to a lower projected value of 4.2 per cent for the 2025 fiscal year. Though this represents a significant reduction, it is still higher than the ECOWAS convergence criteria of at most 3 per cent.

3. Key Budgetary Allocations in 2024 as against 2025


i The education sector always takes a large portion of the social sector's budget. There has been a slight reduction however in the share of the social budget dedicated to education, as it has decreased marginally from **61.15 per cent** in 2024 to **59.58 per cent**. The uncapping of the GETFund could however increase the allocation to the education sector. In relation to total expenditure, the education sector (excluding GETFund) received **14.9 per cent** in the 2025 budget compared to **14.5 per cent** in the 2024 budget.

ii There has also been a significant drop in the share of development partner funding as **GHS 827,675,221** was budgeted in 2024 compared to **GHS 394,624,221** for 2025.



This represents a **reduction of 47.7%** (GHS 433,051,000)

This is perhaps partly due to the withdrawal of funding from USAID, which has been a key pillar in educational financing in Ghana.

iii  For the first time in our history, **GH¢292.4 million** has been committed to providing **free sanitary pads to female students (1.3 million learners)** in primary and secondary schools (Table 1). This move will reduce absenteeism and promote good hygiene among female students, improving girls' well-being and academic performance.

Category	2024 Allocation (Ghc Mn)	2025 Allocation (Ghc Mn)	Change (%)
Total Education Budget	29,200	31,770	9%
Capitation Grant	84	145.5	73.20
School Feeding Programme	1,344	1,788	33.0
Textbooks Procurement	100	564.6	464.0
Teacher Trainee Allowances	203	207.8	2.30
Sanitary Pads Initiative	-	292.4	NEW

Table 1: Key Education Budget Allocations: 2024 Versus 2025

iv



There is also a significant increase in the amount budgeted for textbooks in 2025 compared to 2024.

The 2025 budget has made provisions to supply textbooks to

Targeting

Kindergarten

2.8 million learners

Primary

800,000 learners

and Junior High School (JHS) 3

540,000 learners

The budgeted amount of **GHS 564 million** for textbooks represents a **370%** increase over the 2024 budget.

v



Budgetary provision has been increased for the School Feeding Programme

from GHS 1.344 billion
to GH¢1.788 billion in 2025,
representing a **33 per cent** increase.

The feeding grant per child per day now stands at **GHS 2** as against **GHS 1.50** in 2024. This should reduce caterer agitation, improve the quality of meals, and promote teaching and learning at the basic level.

vi



The allocation for the Capitation Grant has been increased

from GHS 84 million in 2024
to GHS 145.5 million,
representing an increase of **73.2 per cent**.

vii



Also, the proposal to transfer a

minimum of 80 per cent
(it has been below 50% in the past)

of the funds directly to the District Assemblies could also benefit the education sector as the assembly also supports educational projects at the district level.

4. Key Policy Issues in Basic Education

The budget contains some key policy proposals for the immediate, short, and long terms. The government has affirmed its commitment to developing the full potential of human capital across the country. Below are the key ones, specifically those that relate to Basic Education:

- I. In fulfilment of a campaign promise, the government organised the National Education Forum on 18th February 2025 to deliberate on key issues facing the educational sector. The government followed the national one with zonal fora in 6 locations in the country: Accra, Bolgatanga, Cape Coast, Kumasi, Sunyani and Tamale. It is hoped that the recommendations from the forum will enrich policy-making and execution in the sector.
- II. The government indicated its commitment to promote the culture of reading among the populace by expanding the Ghana Library Authority Mobile Library Van Outreaches programme to enable children in communities without public libraries to access reading materials. This move should contribute to increasing literacy from the current 80 per cent.
- III. Also, Capitation Grants to basic schools, feeding grants to special schools, and the registration fees for public BECE will be continued in 2025. When released timeously, these grants will improve the learning experience in schools and expand access to basic education.
- IV. Another campaign promise the government intends to fulfil is distributing free sanitary pads to female students in basic and secondary schools. The budget proposes to distribute free sanitary pads to 1.3 million female students in basic and secondary schools in 2025. This move will promote good hygiene among schoolgirls and reduce absenteeism.
- V. In fulfilment of the promise to enhance the salary of teachers who accept postings to rural communities, the government, through the budget, indicated that it would engage key stakeholders by introducing a 20 per cent allowance for teachers who agree to serve in rural schools. This is commendable and should be sustained to improve teacher retention in rural and deprived communities.
- VI. The government also plans to construct 100 teacher accommodations for basic schoolteachers under the 'Teacher Dabre Initiative'. In addition, government will ensure that all new basic school blocks will have teachers' accommodation. This is another move that will incentivise teachers to accept postings to rural schools.
- VII. The government is committed to prioritising computing and digital literacy in all public basic schools. In furtherance of this, the government announced plans to commence the deployment of solar systems to schools this year, especially those in deprived districts with no electricity access. This is to enable ICT facilities to be provided to support the teaching and learning of computing to enhance digital literacy for all learners in public basic schools

- VIII. The government intends to uncap the GETFund receivables, which was capped in accordance with the Earmarked Funds Capping and Realignment Act, 2017 (Act 947). This should make available additional funding for education in general and basic education in particular.
- IX. The 2024 election Manifesto promise to eradicate 'schools under trees' and rehabilitate dilapidated schools at the basic level received no mention in the 2025 budget. This means the government does not intend to prioritise this policy in 2025. If a business-as-usual approach is taken to address the 'schools under trees' phenomenon, then over 5,000 basic schools will remain under trees, ramshackle structures, and sheds².
- X. Another manifesto promise on basic education, which has not been explicitly mentioned in the 2025 budget, is the 'Furniture for All Initiative', which is supposed to bridge the furniture deficit in basic schools through public-private partnerships. If the issue is not addressed, over 40 per cent of basic school pupils will not have access to furniture, compromising the teaching and learning environment .
- XI. There was no mention and for that matter a special programme focusing on complementary education. Complementary education has been identified as central in extending basic literacy and numeracy skills to out-of-school children (Carter et al., 2023). This means that, the Complementary Basic Education programme is not prioritised by the government for this year, and the implications are that, many children (about 1.2 million) will not have any targeted programme to facilitate their access to basic education.

5. Conclusion and policy recommendation

Some key Manifesto promises relating to basic education have been addressed in the 2025 budget, which is highly commendable. Some of these include increases in the Capitation and School Feeding grants, provision of free sanitary pads for schoolgirls, uncapping of the GETFund, provision of solar systems in rural schools to promote digital learning, paying 20 per cent allowance to teachers posted to rural areas, and providing accommodation for teachers. However, campaign promises such as the eradication of 'schools under trees' and the 'Furniture for All Initiative' which remain very critical challenges in the basic education sector, have not been explicitly stated in the budget. Of another critical concern with the budget statement is the exclusion of provisions to support the delivery of the Complementary Basic Education Programme known for its effectiveness in dealing with the Out School Children phenomenon.

Furthermore, the budget represents government's intention, but there is the possibility of significant deviations from the actuals, as our history has taught us. Therefore, political will remains key to achieving the lofty allocations to basic education in the 2025 budget.

Based on the above analysis, the following recommendations are proffered to improve support for basic education in Ghana:

- I. Through GETFund and other sources, the government needs to support basic education in the country in light of the funding deficit created by the absence of funding from USAID.
- II. The government's proposal to incentivise teachers who accept posting to rural areas is commendable and must be affirmed with actions. A successful implementation of this policy could expand access to education and reduce the inequality in the quality of education between rural and urban areas.
- III. The proposal to distribute sanitary pads to female pupils is very laudable as it could help reduce absenteeism and dropout among female pupils. Research shows that 600,245 (40%) girls remained absent from School during their menstruation. School absenteeism was significantly associated with the type of absorbent used.
- IV. The proposal to distribute textbooks across the basic schools should be implemented as soon as possible to facilitate teaching and learning.
- V. The decision to uncap GETFund is a step in the right direction. However, the extra funding should not be solely dedicated to the Free SHS or the 'No Fee Stress' policies as the government's intention appears to be.
- VI. Though the 33 per cent increase (GHS 1 to GHS 2 per child) in the School Feeding Grant is commendable, it does not fully adjust for the food inflation. The government should make realistic funding adjustments to satisfy caterers' daily demands of at least GHS 3 per child as of 2022.

- VII. Related to this (VI) is the need for the Ministry of Education to ensure that feeding grants are released timeously to forestall caterer agitations and attendant effects on meal frequency and quality.
- VIII. The government is further lauded for the unprecedented increase in the capitation grant. However, steps should be taken to ensure the timely release of the grants to ensure the smooth operations of schools.
- IX. The government should follow through on its manifesto promise to address 'schools under trees' and rehabilitate dilapidated ones. This could be done by allocating part of the Ministry of Education's capital expenditure and some of the uncapped GETFund proceeds for the policy to eradicate 'schools under trees'.
- X. Similarly, the Ministry of Education should launch the 'Furniture for All Initiative' to ensure every basic school pupil can access furniture. The current situation where over one million basic school pupils do not have desks is dehumanising and violates the right of children to have access to quality education.
- XI. Last but not least, the absence of any mention of complementary education in the entire budget represents a serious policy gap in extending out-of-school children's basic literacy and numeracy skills. The Ministry of education should ensure as a matter of urgency that necessary steps are taken to address this critical gap

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