Ghana Education Sector Report

By Strategy & Research Dept.

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01

Sector overview

General Overview of the Sector

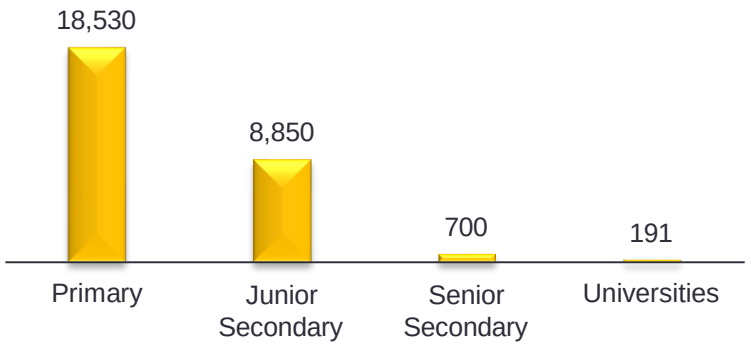
Overview of The Education System

- Ghana has a robust education system that caters for students at various levels. The official language of instruction is English, however local languages and French are taught as subjects.

Ghana's Education system — **6 – 3 – 3 – 4 System**

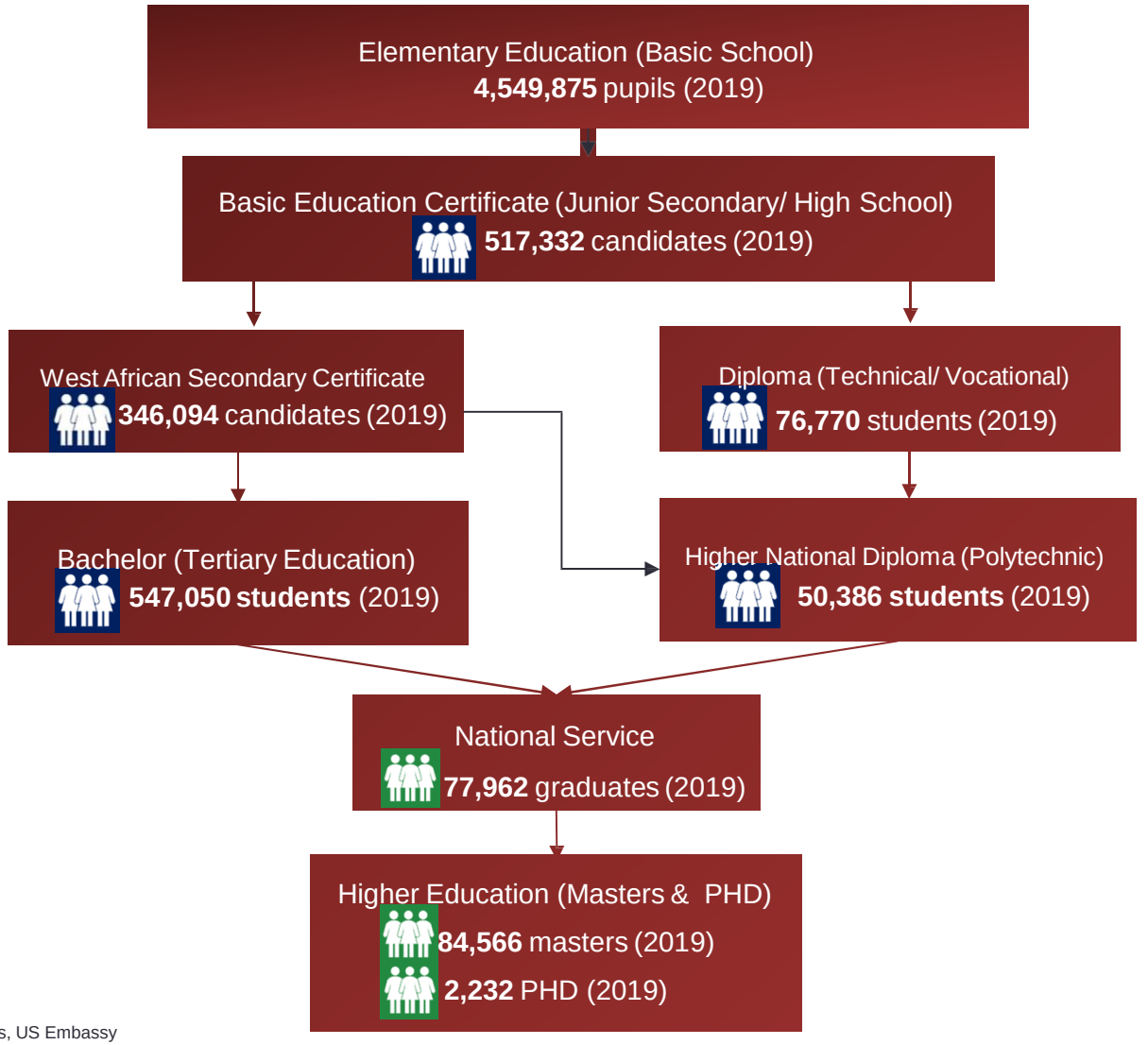
	Level	No. of years
Education Level tenure/period	• Primary	**6 years**
	• Junior Secondary	**3 years**
	• Senior Secondary	**3 years**
	• Tertiary	**4 years**

Number of Educational Facilities in each Level (2020)



Source: Ministry of Education, UNICEF, USAID, Fitch Solutions Report, Statista. World Bank, World Education News, US Embassy 2020, West African Examinations Council Ghana

The Ghanaian Education Process



General Overview of the Sector Cont'

Key statistics in the education sector of Ghana

Duration of compulsory education
11 years

Educational spend as share of GDP (2020)
3.90%

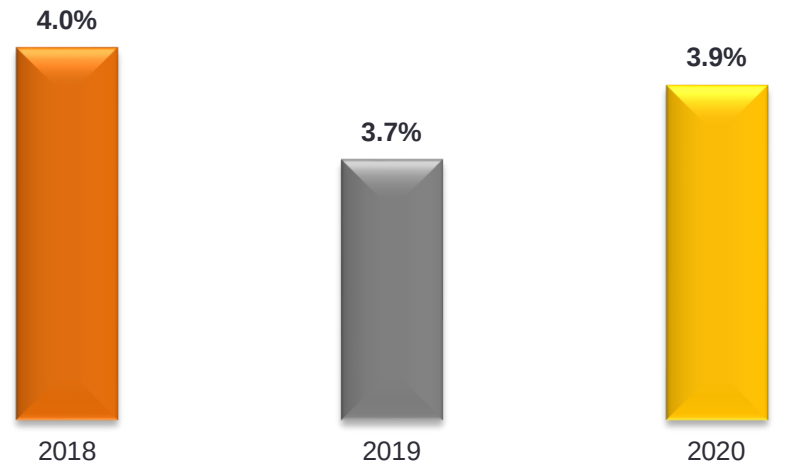
Students enrolled under the free SHS policy (2020)
404,856

Number of foreign students in Ghana (2020)
5,718

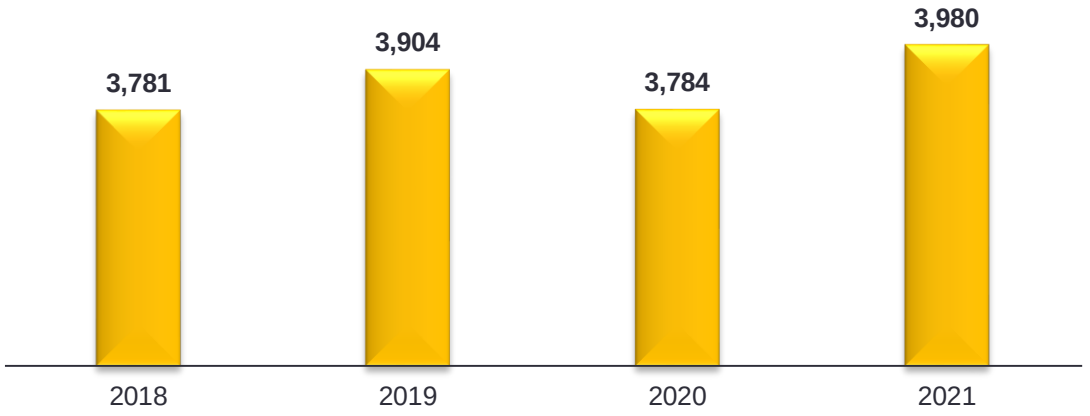
Ghanaian tertiary students abroad (2019)
17,200

Other African students in tertiary institutions in Ghana (2020)
5,304

Government Expenditure on Education (% of GDP)



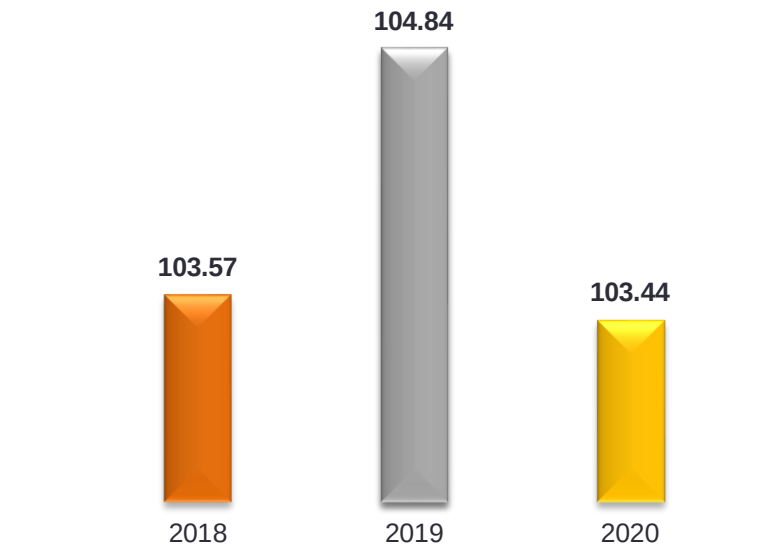
Education Consumer Spend (in USD millions)



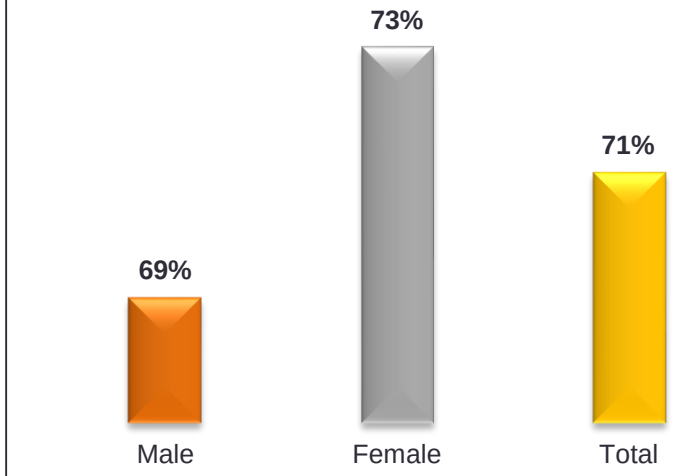
Source: Statista, Ministry of Education, The World Bank 2021, UNICEF 2020

Sector overview: Basic Education

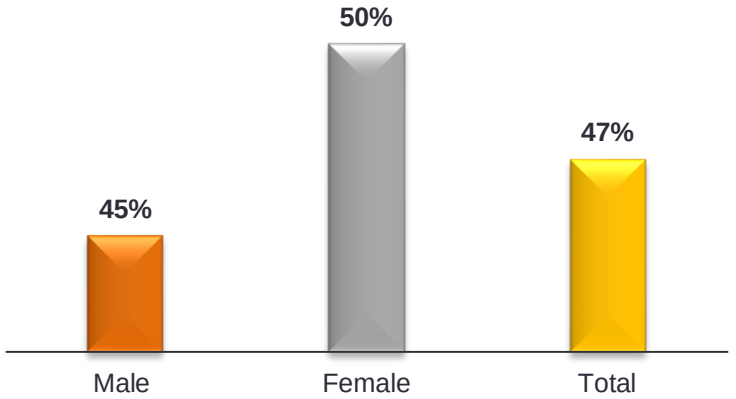
Gross primary school enrolment rates



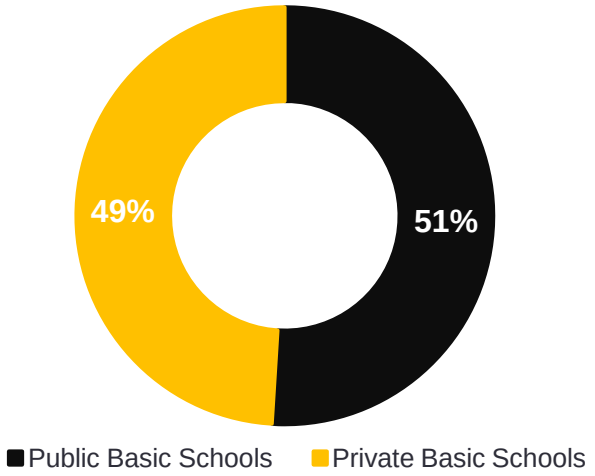
Primary completion rates 2020



Junior secondary completion rates 2020



Number of public & private basic schools (2020)

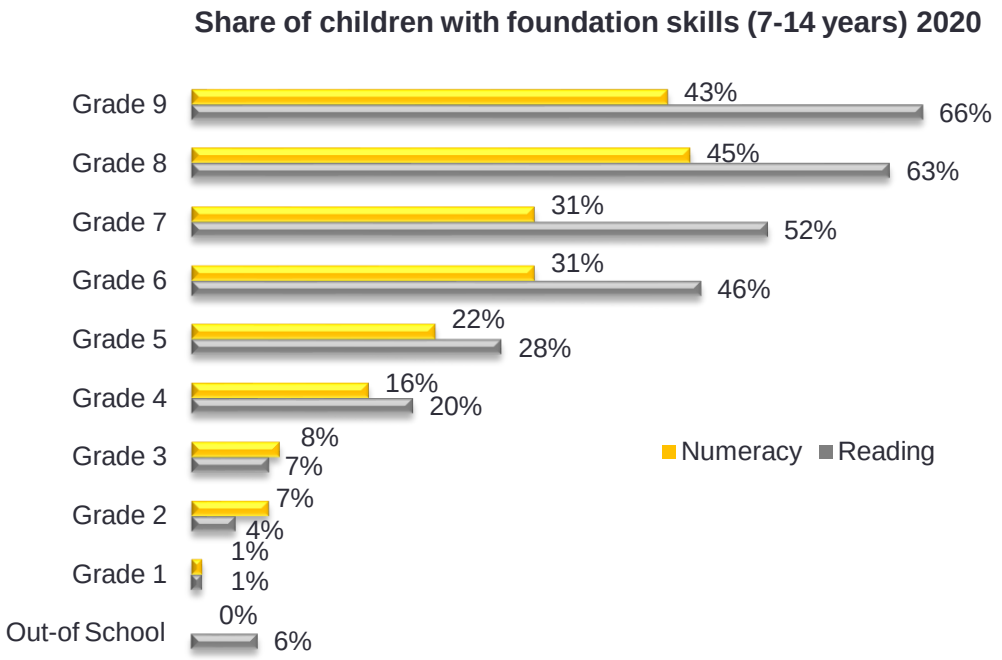


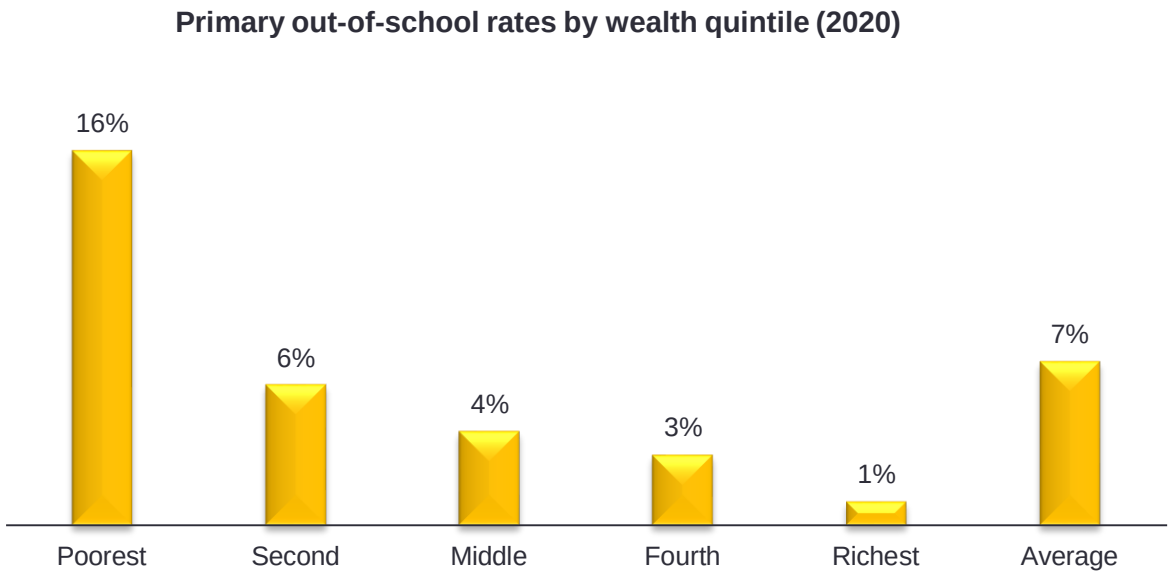
Basic education in Ghana

- Duration of basic education : 11 years
- Ages of children: 4-15 years
- Composition of basic education: Primary & Junior High/ Secondary School
- Net primary school enrolment rates: 84.4%
- Rank in basic education: 1st out of 16 countries in West Africa according to Fitch (2022)
- Literacy rate: 69.8%, which is the second highest in Africa, with the regional average being 47% (2021), according to the United Nations Educational, Scientific and Cultural Organisation (UNESCO).
- Junior high school ends with the Basic Education Certificate Examination (BECE)

Source: Statista 2022, Ministry of Education, UNICEF 2020, Fitch Solutions Report 2022, UNESCO

Sector overview: Basic Education



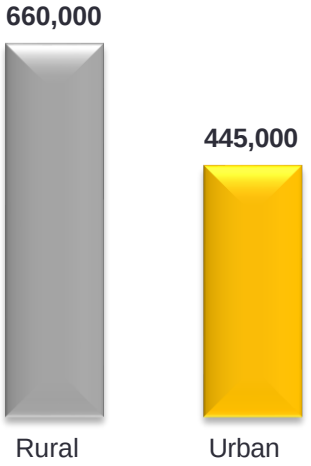


- Out-of-school children, includes those who have never attended school as well as those who did not attend school in the current year.
- **At the primary school level, an average of 7% pupils were out of school**, however some groups have higher out of school rates.
- Children from the poorest wealth quintile, for example, had greater out-of-school rates than their counterparts from other categories.
- **Only 7% of Grade 3 students have the required reading skills, and only 8% have the required numeracy skills.**

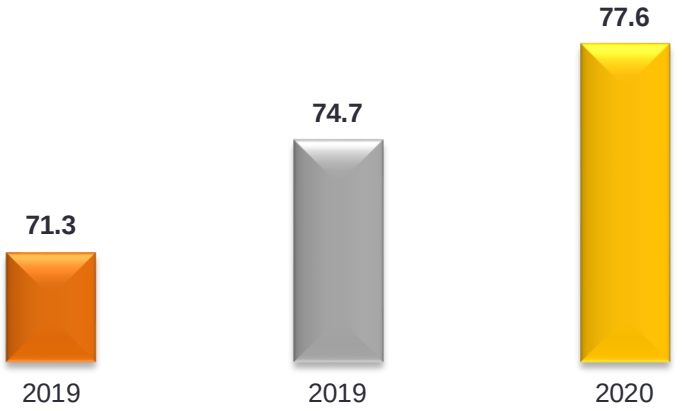
Source: UNICEF 2020

Sector overview: Secondary Education

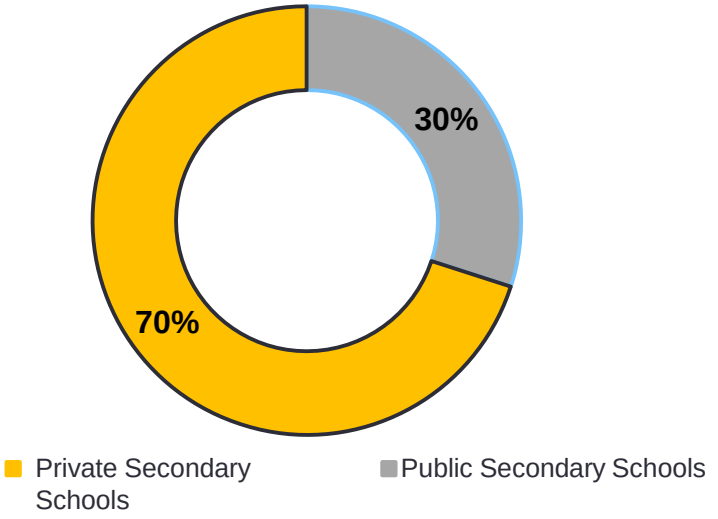
Headcount of children who did not complete secondary school (2020)



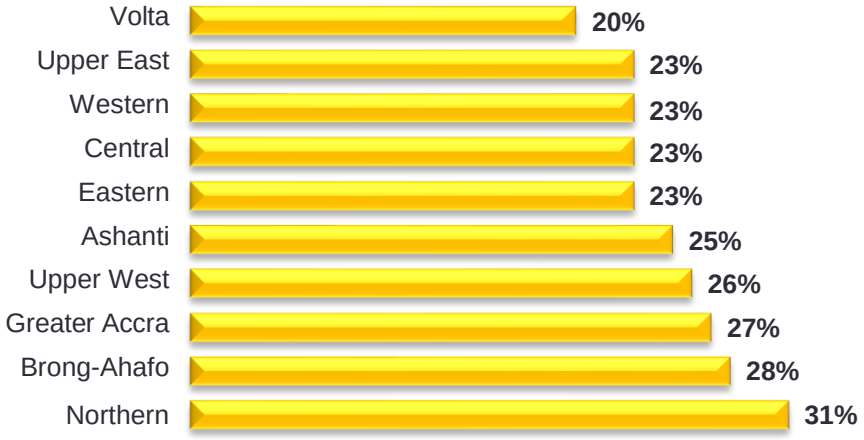
Gross enrolment rate in Ghanaian secondary schools



% of public & private secondary schools (2020)



% of children who complete secondary school by region (2020)



Secondary Schools In Ghana

- Duration of secondary school: 3 years
- Net enrolment rates : 58.3% (2022)
- Rank of secondary Education: 3rd out of all countries in West Africa according to Fitch reports (2022)
- Labour force: 20.6%, ranking 3rd in West Africa according to Fitch reports (2022)
- Secondary school education ends with the West African Senior Secondary Certificate Examinations (WASSCE)

Source: Fitch Solutions Report 2022, UNICEF 2020, US Embassy 2020

Sector overview: Secondary Education

The Best Senior High Schools According to WASSCE Ranking as at 2020

St. James Seminary Senior High School

Average percentage of passes: 98.80%

St. James Seminary is a senior high school in Sunyani, the capital of the Bono region of Ghana and they have always featured or topped the list over the past years

St. Francis Xavier Junior Seminary

Average percentage of passes: 94.97%

St. Francis Xavier Junior Seminary located in Wa. They have always maintained more than a 90% average passes at the WASSCE.

Opoku Ware Senior High School

Average percentage of passes: 88.23%

Opoku Ware School, often referred to as OWASS, is an all-boys high school in Santasi, a suburb of Kumasi.

Wesley Girls Senior High School

Average percentage of passes: 87.60%

Wesley Girls' Senior High School (WGHS) is an educational institution for girls in Cape Coast, Ghana.

Holy Child Senior High School

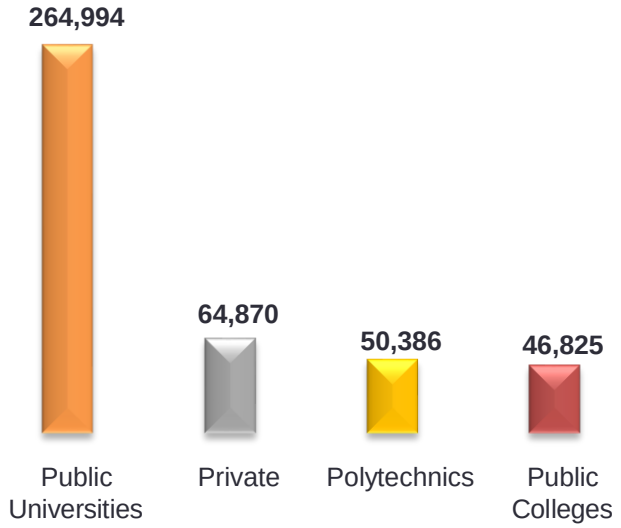
Average percentage of passes: 87.53%

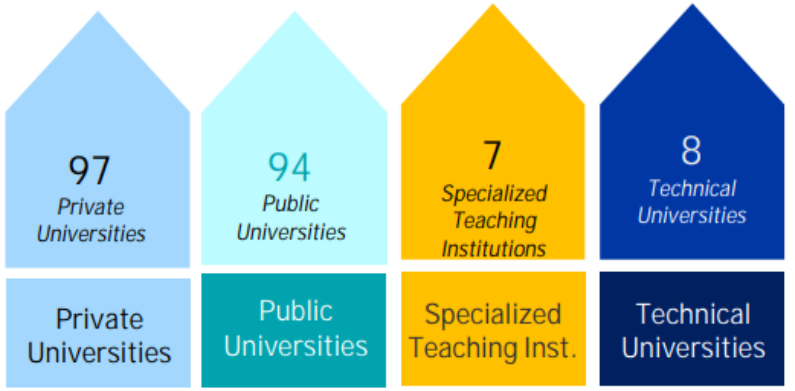
Holy Child School, also known as Angel's Hill, is a female second-cycle institution in Cape Coast in the Central Region of Ghana.

Source: School Websites

Sector overview: Tertiary Education

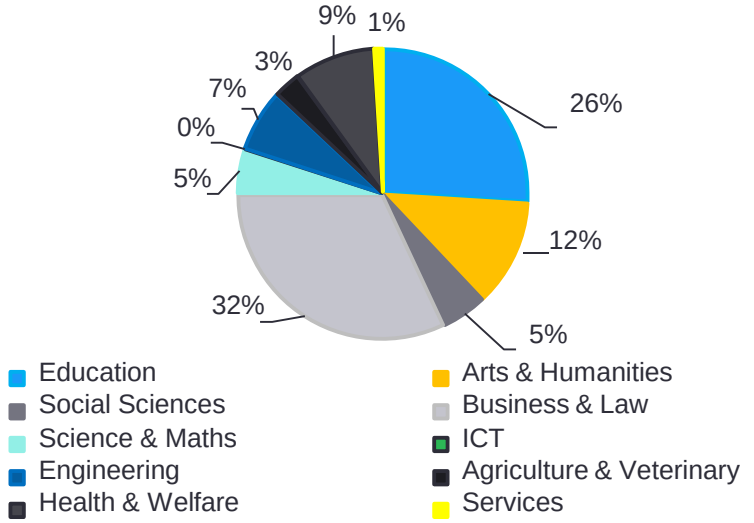
Number of tertiary students in Ghana by type of institution (2019)



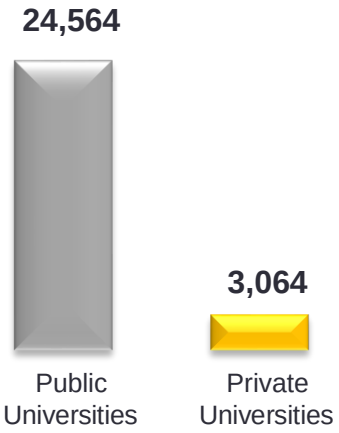


Number of higher education institutions (2019)

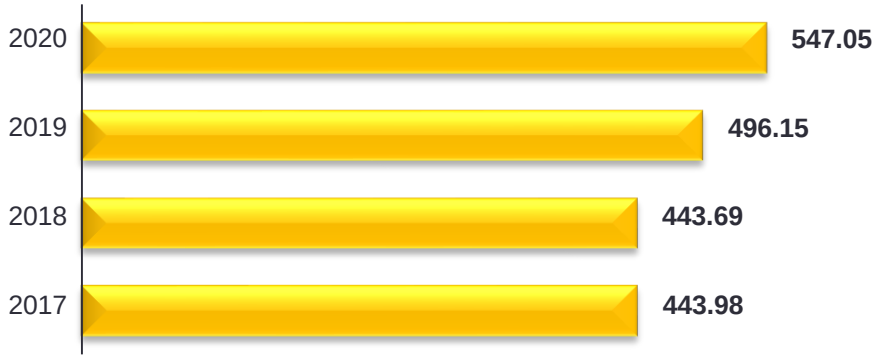
Tertiary graduates by discipline (2020)



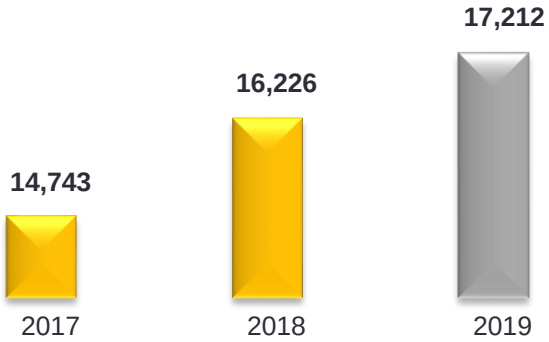
Post graduate enrolments (2019)



Number of students enrolled in tertiary education ('000)



Number of Ghanaian students in tertiary education abroad



Source: Statista, Fitch Solutions Report, USAID, UNESCO, National Council For Tertiary Education, Ministry of Education

Sector overview: Tertiary education

Key players	Market segment focus	Location	Year of establishment	Website
ASHESI UNIVERSITY	Private	Berekuso, Accra	2001	www.ashesi.edu.gh
University of Ghana UNIVERSITY OF GHANA	Public	Legon, Accra	1948	www.ug.edu.gh
KNUST KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY	Public	Kumasi	1952	www.knust.edu.gh
Central University CENTRAL UNIVERSITY FAITH • INTEGRITY • EXCELLENCE	Private	Accra	1988	www.central.edu.gh

Source: Fitch Solutions Report, UNESCO, University Websites

Tertiary Schools in Ghana

Net enrolment rate: 16.2%

The university education system produces around 109,874 graduates annually

Ghana scores 35.7 out of 100 for Tertiary Education in the Labour Market Risk Index, which ranks it 131st globally and first regionally in 2022

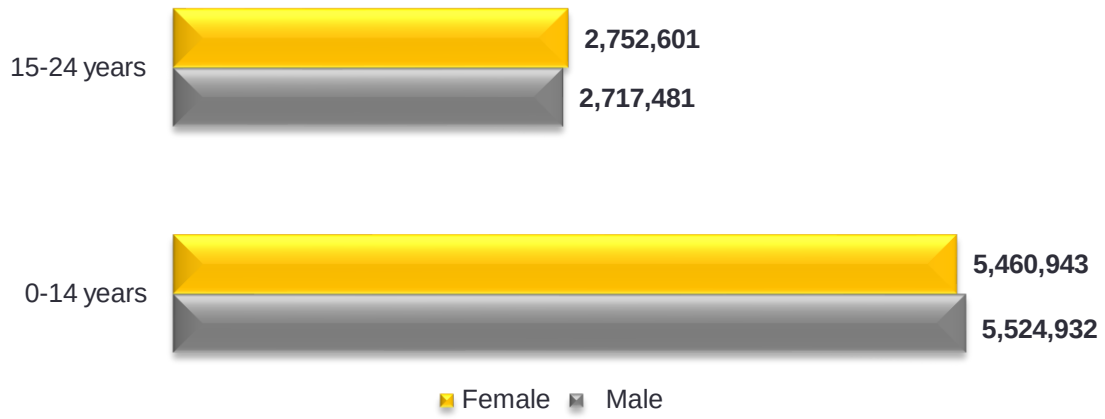
Ashesi University ranked number 1 in Ghana and amongst the world's top 300 universities by Times Higher Education in 2022. Ashesi and KNUST are the only Ghanaian universities in the world's top 300.

8% of Ghanaian university students study abroad

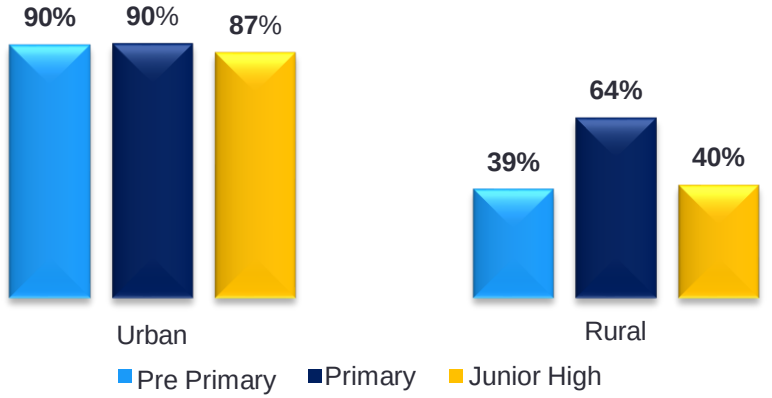
Demand and Supply Analysis

Demand for Education

School aged population in Ghana (2021)

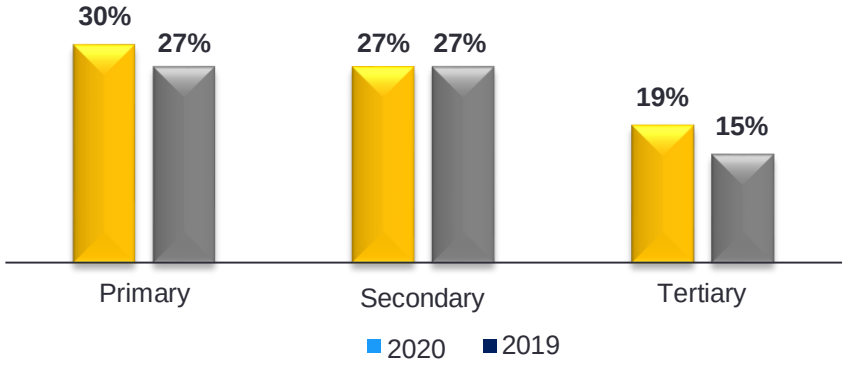


Availability of basic education facilities in rural & urban areas in Ghana 2021



- Ghana has an estimated 11 million school-aged population, which is continually growing and indicates a significant need for quality education.
- While the government is working to improve public school access, many families are looking for quality education in the private sector.
- Enrolment in primary schools increased from 27% in 2019 to 30% in 2020. While both the private and public sectors have seen an increase in the number of institutions and students, private schooling is expanding at a considerably quicker pace.

% of Private school enrolment at the various levels of education

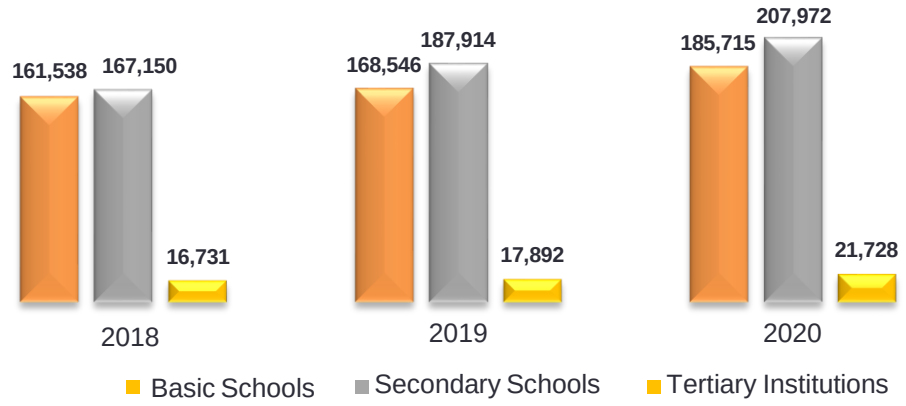


Source: National Council for Tertiary Education, Statista, Ghana Statistical Service, The World Bank

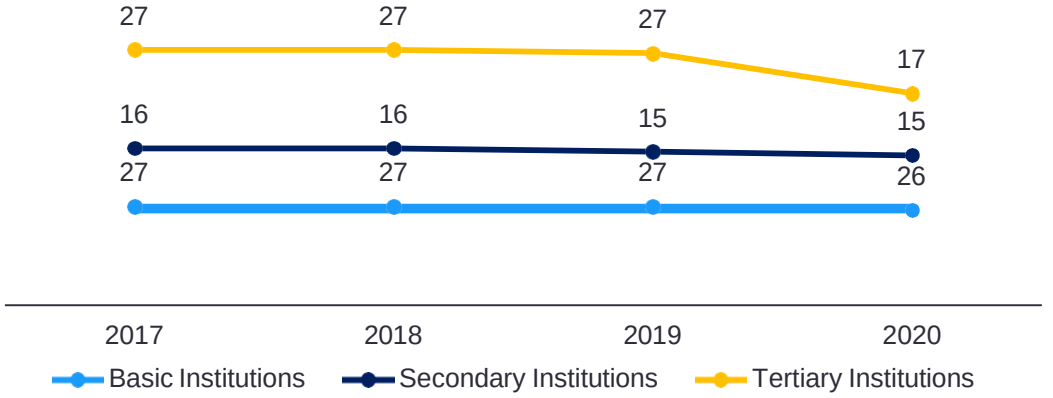
Demand and Supply Analysis

Supply for Education

Number of teachers at the various levels of education in Ghana 2020

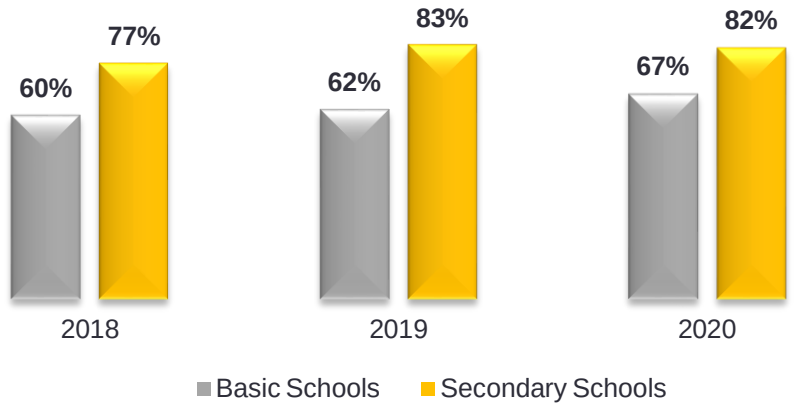


Student to teacher ratio at the various levels of education in Ghana



- Teacher supply, on the other hand, can be defined as the number of persons serving as teachers for a particular year in its broadest definition. In 2020, there were **185,715** elementary school teachers and **207,972** secondary school teachers.
- In basic schools, there is one teacher for every **27** pupils, while in secondary schools, there is one teacher for every **16** students.
- There has been an over-concentration of teachers in metropolitan regions, which has negatively impacted rural children. It is not so much a shortage of adequate teacher supply as it is a distribution issue. Thousands of public primary school classes in rural Ghana are devoid of teachers, resulting in 30 daily dropouts.

% of Trained teachers in basic & secondary schools



Source: Statista, The World Bank

Key Developments

01

One Teacher One Laptop Program

Ghana inaugurated its One Teacher One Laptop program on September 3, 2021, as part of the government's aim to better equip teachers with technical skills.

02

Vocational & Training Education

China committed **USD130 million** in Ghana's vocational education and training sector in May 2021. Ghana formed a partnership with China to increase the quality of technical and vocational education and resource availability. Automobile, civil, mechanical, and welding engineering, as well as ICT, will have their workshops upgraded.

03

Artificial Intelligence (AI) Research Centre

Google built its first African AI research centre in Accra in April 2019. The new centre will focus on AI research and applications and expected to attract top machine learning researchers and engineers.

04

Free Senior High School (SHS) Policy

The President, Nana Addo Dankwa Akufo-Addo inaugurated the Free Senior High School policy in September 2017. Enrolment increased by 11% that year. The largest enrolment ever seen in the country was recorded in the 2017/18 academic year, with over 470,000 pupils enrolled in senior high school.

05

Ghana Colleges of Education (CoEs)

In April 2022, Government set up a GHS67m to fund the feeding and operation of Ghana's Colleges of Education (CoEs). This comes after the National Conference of Principals of Institutions of Education-Ghana (PRINCOF) expressed concern that the CoEs were struggling to feed teacher trainees at the 46 colleges due to a six-month funding gap.

Source: Fitch Solutions Report

Key Partnerships

Investor Name	IFC International Finance Corporation WORLD BANK GROUP
Venture Investment is made in	**Ashesi University**
Year	**2020**
Amount	**$ 8.8 million**
Nature of partnership	**Loan**

Investor Name	Department for International Development
Venture Investment is made in	**The Ghana Accountability for Learning Outcomes (GALOP)**
Year	**2020**
Amount	**$ 218.7 million**
Nature of partnership	**Grant**

Investor Name	TULLOW OIL plc
Venture Investment is made in	**Construction of senior high schools**
Year	**2020-2024**
Amount	**$ 2.5 million**
Nature of partnership	**Corporate Social Responsibility**

Investor Name	Google
Venture Investment is made in	**Artificial Intelligence Research Centre**
Year	**2019**
Amount	**N/A**
Nature of partnership	**Corporate Social Responsibility**

Overview of Industry Regulators

	Regulatory agency	Scope of activity	Responsibilities	Oversight function	Nature of activity Inspection/ licensing	Policy formulation
Ministry of Education REPUBLIC OF GHANA	Ministry of Education	General	Ensure the development of an educational system that focuses on promoting critical skills	√		√
GHANA EDUCATION SERVICE	Ghana Education Service	General	To ensure the implementation of educational policies and programs	√		√
NaCCA	National Council for Curriculum & Assessment	General	To develop a curriculum that ensures the quality of education.	√	√	
NATIONAL TEACHING COUNCIL NTC	National Teaching Council	General	To promote excellence and professionalism among teachers and managers of schools	√	√	

Source: Company websites

Overview of Industry Regulators

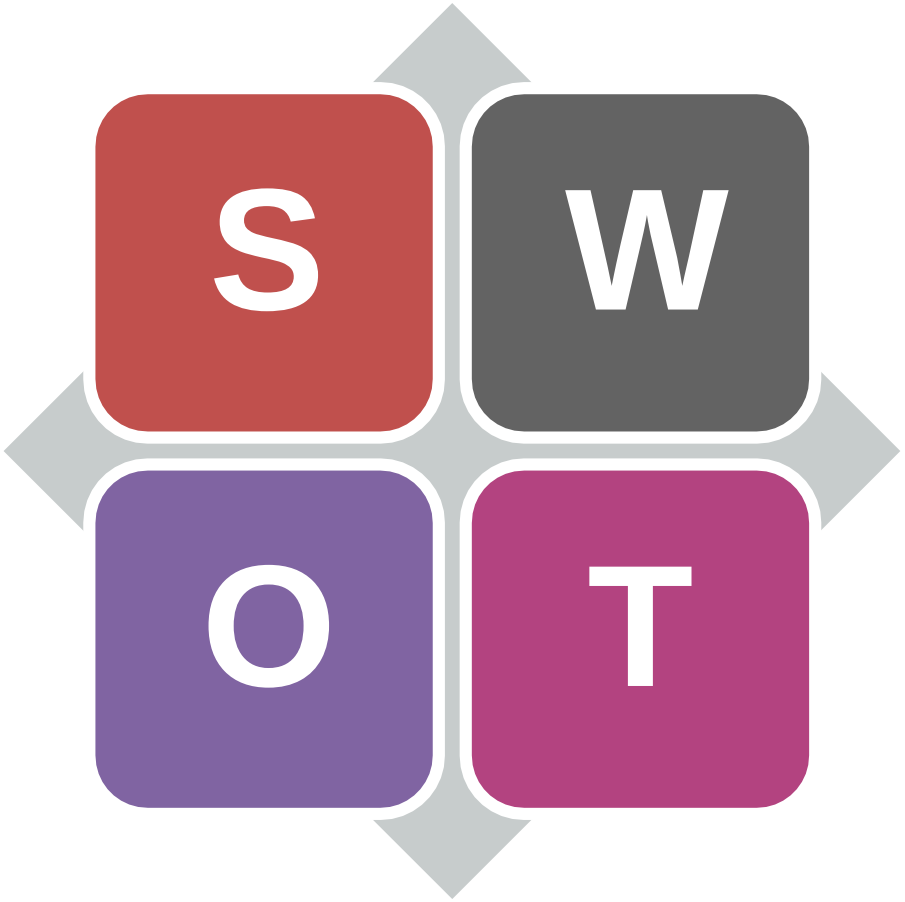
	Regulatory agency	Scope of activity	Responsibilities	Oversight function	Nature of activity Inspection/ licensing	Policy formulation
	National Schools Inspectorate Authority	General	Ensure the highest quality standards for quality education in public and private Pre-Tertiary Institutions.	√	√	
	The West African Examinations Council	General	To conduct examinations in the public interest	√		√
	The Ghana Education Trust Fund	General	To enhance primary, secondary and particularly tertiary education.	√	√	
	National Service Scheme	General	Mobilize and deploy Ghanaian citizens 18 years and above for national development	√	√	

Source: Company websites

Sector SWOT analysis

Strengths

- Increased access to basic education
- Complementary education and other non-formal opportunities for out-of-school children and adults.
- Legacy of high-quality education leading to a good reputation in Africa.
- High quality teaching and learning materials being developed, produced and introduced.



Weaknesses

- Teacher retention/deployment.
- Technical and management skills at local levels.
- Poor retention of pupils in basic cycle especially in deprived areas.
- Upsurge of enrolment in universities leading to escalating public costs
- Increasingly inequitable distribution of education benefits.

Opportunity

- Strengthened institutional capacities and outcomes.
- Improved retention and transition of students.
- Improved use of public resources in education through efficiency savings and value for money.
- Improved effectiveness through accountable decentralization.

Threats

- Increased drop-out, drop-out rates remain at 8% for rural basic education students.
- Delays in payments of salaries of teachers.
- Inadequate funding for primary education.
- Teacher migration to urban areas affecting staff in deprived areas.
- Inequitable distribution of ICTs
- Graduate unemployment and disaffection.

Source: The Ministry of Education

02

Sector opportunities

Sector opportunities

Training of Teachers

- Rural areas continue to be disadvantaged by teacher distribution.
- The primary level continue to depict relatively low percent of trained teachers. Only 31% of teachers in early childhood education are certified
- Around 51% of primary school teachers have had training, whereas 66% of junior high school teachers have received training.

Infrastructure

- Despite the improvements Ghana has made in providing access to education for all, thousands of children still face obstacles to attending school and learning.
- Classes are overcrowded, and there are insufficient water and sanitation facilities.
- There are still children that attend school under duress today due to insufficient classroom blocks to accommodate the students.

Investments in Early-Childhood Education

- Recent research suggests that the first few years of life may be a particularly fruitful moment to intervene in the lives of low-income children.
- In rural areas, almost 61% of children aged 7 to 14 have no core reading and numeracy skills, affecting the country's literacy rate.

Improvement in ICT

- Improve the quality of education and training at all levels by using ICT to modernize the educational system and enhance access to education, training (particularly teacher professional development), and research resources and facilities.

Provision of School Supplies

- Access to high-quality educational supplies, including textbooks, is particularly problematic for students and instructors in the country's rural areas.
- Because they are in short supply, this makes both teaching and learning extremely challenging.

Investment in STEM

- Ghana has few graduates in the domains of science, technology, engineering, and mathematics (STEM). Engineering graduates accounted for just 7% of all graduates and science and maths graduates accounted for roughly 5%.
- This means that university graduates with STEM capabilities are scarce, and businesses in need of such workers will have a tough time finding qualified candidates locally.

Source: Ministry of Education, UNICEF, Fitch Solutions Report

03

Key Investment Considerations

Key investment considerations

Accreditation of Institutions

Both private and public institutions are required to be accredited by the National Accreditation Board (NAB). NAB also develops, in collaboration with the institution, programs and requirements for the institution's proper functioning and the maintenance of relevant academic or professional standards.

Location

- For the safety of pupils, basic schools are expected to situate their schools within communities.
- Secondary and tertiary colleges, on the other hand, are located further out to be able to provide student housing and boarding facilities.

Reduced Tax Rates Applicable to VAT

- Government has set a VAT rate at to a flat rate of 3% applies to certain purchases of wholesale or retail items.
- Textbooks, certified supplementary readers, newspapers, atlases, charts, maps, and music, as well as laboratory and library equipment in education services, are all particularly exempt.

Curriculum Offered

Major curriculum offered in Ghana is mainly the Ghana National Curriculum and the British Curriculum.

Currency Risk

- It will also be expedient on the part of investors to consider foreign exchange risk for foreign direct investment in a frontier economy like Ghana.
- Hedging strategies to guard against the loss of value and increase in the cost of imported inputs during periods of currency depreciation.

Student Housing

- Investors must also consider adopting student housing, which is very prevalent in secondary and higher education institutions.
- Schools provide on-campus (owned by the school) and off-campus (typically privately owned) accommodation options because most of these facilities are located in remote places.

Source: GIPC, Ministry of Education

04

Key Risk Considerations

Key Risk Considerations

A. Most of the schools especially private pre-schools, primary/JHS schools, SHS schools and universities are sole proprietorship with barely sound governance structures. Hence the risk of default on a facility can be high.

B. The risk of funds diversion

C. The risk of access and participation that is low enrollment.

D. Inadequate supply of trained and qualified teachers, resulting in extremes of class size.

E. The challenge of teacher development and distance education as well as poor monitoring and supervision

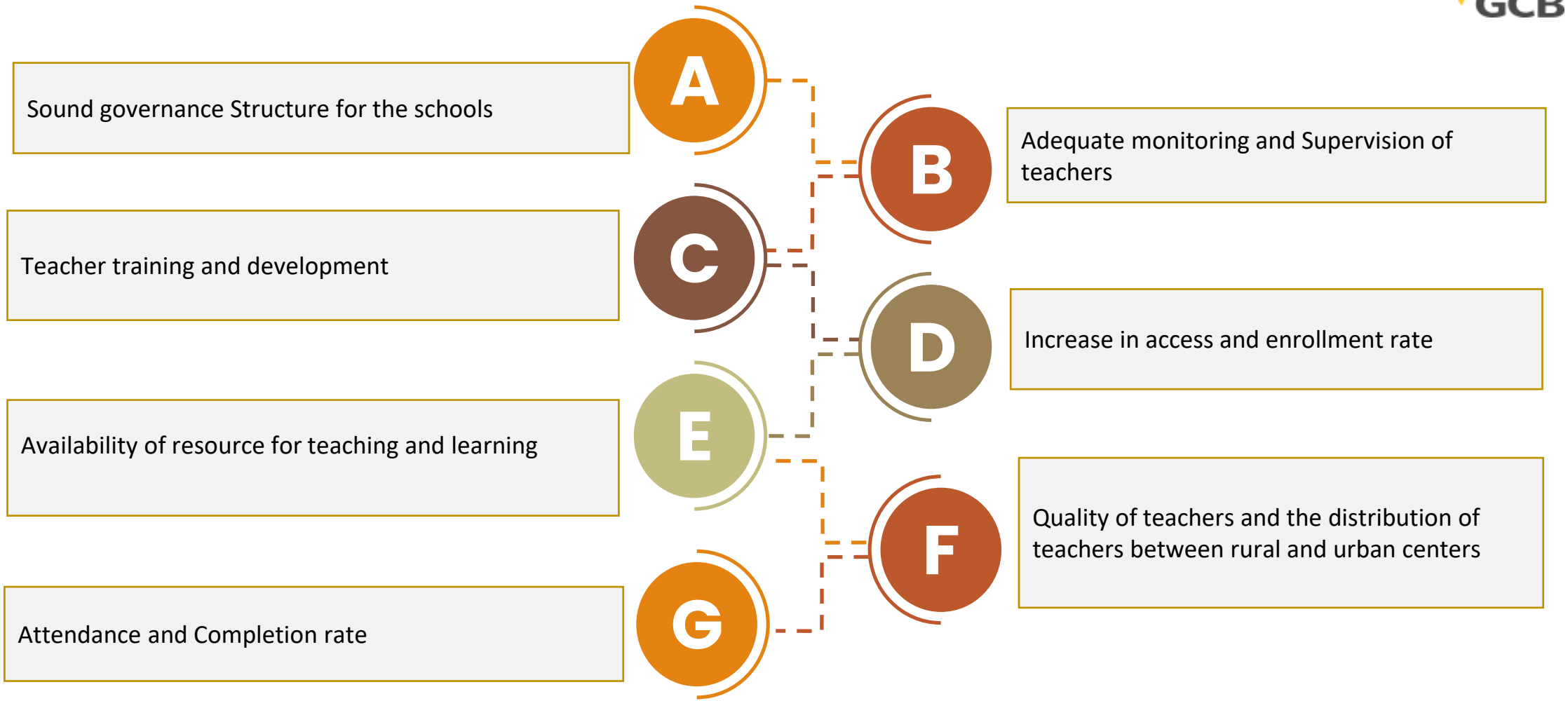
F. Lack of resources for teaching and learning

- *To mitigate some of the above risk, appropriate due diligence should be carried out, constant monitoring, and loan covenants adhered to strictly.*
- *To mitigate the risk of funds diversion, the payment of school fees and other levies should be routed through the bank through either bank draft, direct deposit into the schools account with the bank and the use of PoS for the collection of fees.*

05

Key Success Factors

Key Success Factors



06
Banking Needs

Key Banking Needs

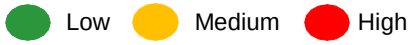
Value Chain Phase	Type of Finance	Type of Finance
Pre-School Education	➢ Current Accounts ➢ Savings Accounts ➢ Call Accounts ➢ Term loans for project financing ➢ School fees collection using the bank's cash collection platform ➢ Personal loans for their staff	➢ E-channel products ➢ G-Money ➢ Private Banking ➢ Equipment Financing
Primary and Junior High School (JHS)	➢ Current Accounts ➢ Savings Accounts ➢ Call Accounts ➢ Term loans for project financing ➢ School fees collection using the bank's cash collection platform	➢ Personal loans for their staff ➢ E-channel products ➢ G-Money ➢ Equipment Financing
Senior Secondary School (SHS)	➢ Current Accounts, ➢ Savings Accounts ➢ Call Accounts ➢ Term loans for project financing ➢ School fees collection using the bank's cash collection platform ➢ Personal loans for their staff	➢ E-channel products ➢ G-Money ➢ Equipment Financing ➢ Auto Loans for their staff
Tertiary Education	➢ Current Accounts ➢ Savings Accounts ➢ Call Accounts ➢ Term loans for project financing ➢ School fees collection using the bank's cash collection platform ➢ Personal loans for their staff	➢ E-channel products ➢ G-Money ➢ Private Banking for their lecturers ➢ Equipment Financing ➢ Auto Loans for their staff ➢ Mortgage loans for their lecturers

07

Appendix

Appendix 1: Sector Porter's Five Forces

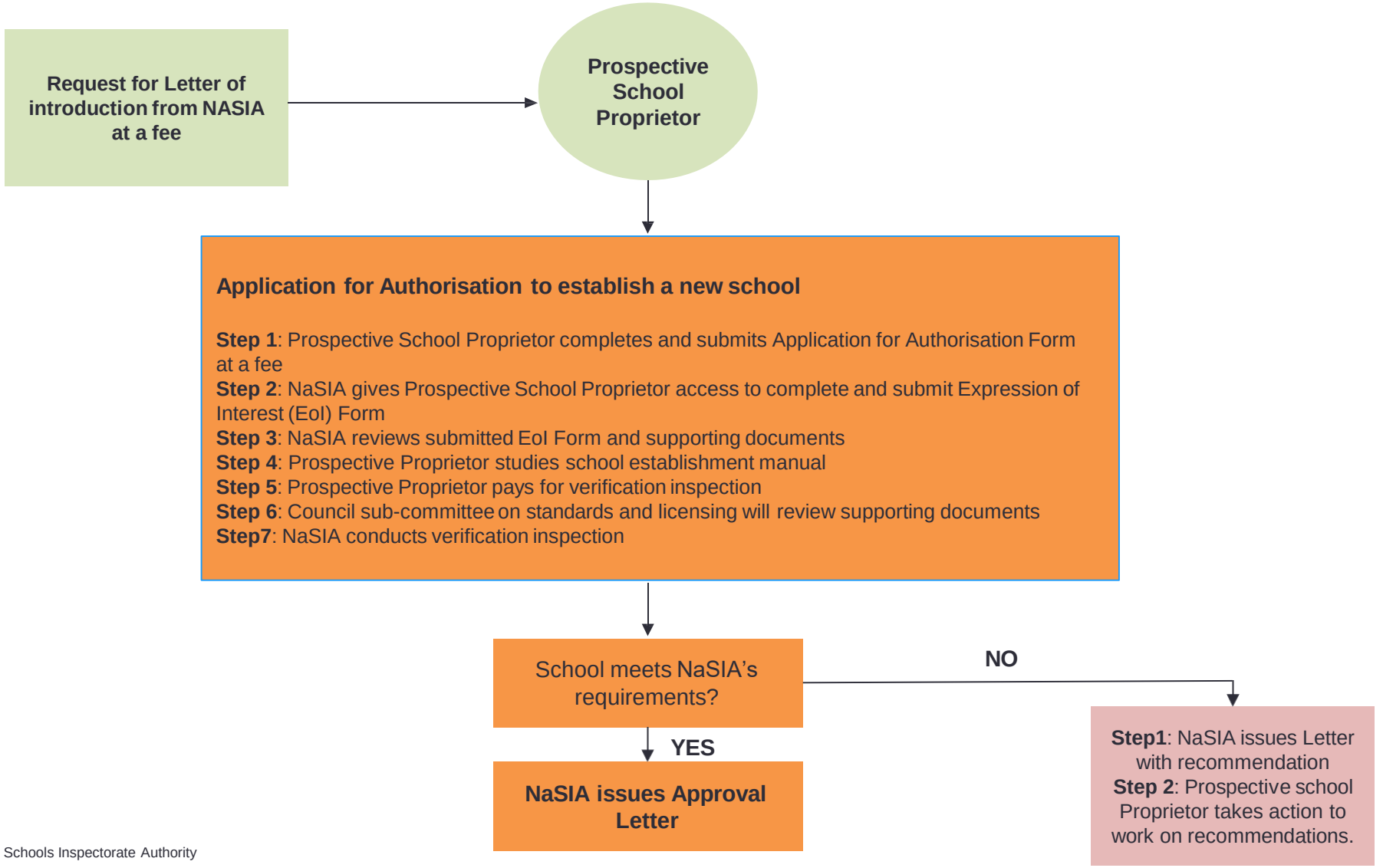
Threat	Severity of threat	Description
Threat of new entrants		► As a result of relatively permissive government rules, the number of private educational institutions are increasing, resulting in increased competition. New universities have few obstacles, the most significant of which is that all institutions must meet national accreditation requirements.
Threat of substitutes		► Prospective students can attend any institution they choose. Since there are so many schools to choose from, other schools' ability to raise costs is limited. ► Students who cannot afford private institutions have several options in the sector, including lower-cost options such as community schools and public universities.
Competitive rivalry		► The intensity of competition faced by educational institutions in the country has influenced their strategy and creativity in recent years in order to attract local and international students. ► The huge increase in foreign fee-paying students, which is progressively becoming a key source of revenue for Ghana's private schools, exemplifies this. ► Most public colleges in Ghana have a high demand for their services, particularly among local students, which can be attributed to the fact that they have been in operation for a long time and are very inexpensive.
Bargaining power of suppliers		► The main supplier power in education is highly skilled labour in the shape of lecturers, researchers, and administrators. The authority of teaching staff will, however, be determined by whether or not they are appointed to teach in schools. ► As there are so many teaching staff in the country, most of whom are selected by the government to teach in public schools, suppliers may not have much negotiating power. Private institutions, on the other hand, are few in comparison to public schools, and hence require less teaching staff.
Bargaining power of customers		► Customers in the education sector are mainly parents and students who do not have the power to determine prices in schools. ► The government subsidizes many public institutions, making tuition affordable for parents and students. Private institutions, on the other hand, are preferred by parents who can afford them.



Source: International Journal of Educational Management

Appendix 2: Regulatory Framework

GUIDELINES FOR ESTABLISHING A NEW SCHOOL FROM THE NATIONAL SCHOOLS INSPECTORATE AUTHORITY (NaSIA)



Source: National Schools Inspectorate Authority

Appendix 3: Policy Initiatives: Free Senior High School (SHS) Policy

- Goal 4 of the United Nations Sustainable Development Goals (SDGs) states: “By 2030, ensure that all girls and boys complete free equitable and quality primary and secondary education leading to relevant and effective learning outcomes.”
- It has therefore been a priority of the government and the Ministry of Education to ensure that education is made free from basic to secondary to afford more children in Ghana the opportunity to access quality education.

- In September 2017, the Ministry achieved a major milestone with the implementation of the Free Senior High School program. That year, there was an 11% increase in enrolment, breaking records from previous years.
- The Nana Akufo Addo lead government has given full effect to SDG 4.1 with the implementation of a Free SHS Policy. The programme, is anchored in the below pillars;

The Removal of Cost Barriers

- Remove Cost Barriers through the absorption of fees approved by GES council

Expansion of Infrastructure

- Expand physical school infrastructure and facilities to accommodate the expected increase in enrolment.

Improvement in Quality & Equity

- Improve quality through provision of core textbooks and supplementary readers, teacher rationalisation and deployment, etc.

Development of Employable Skills

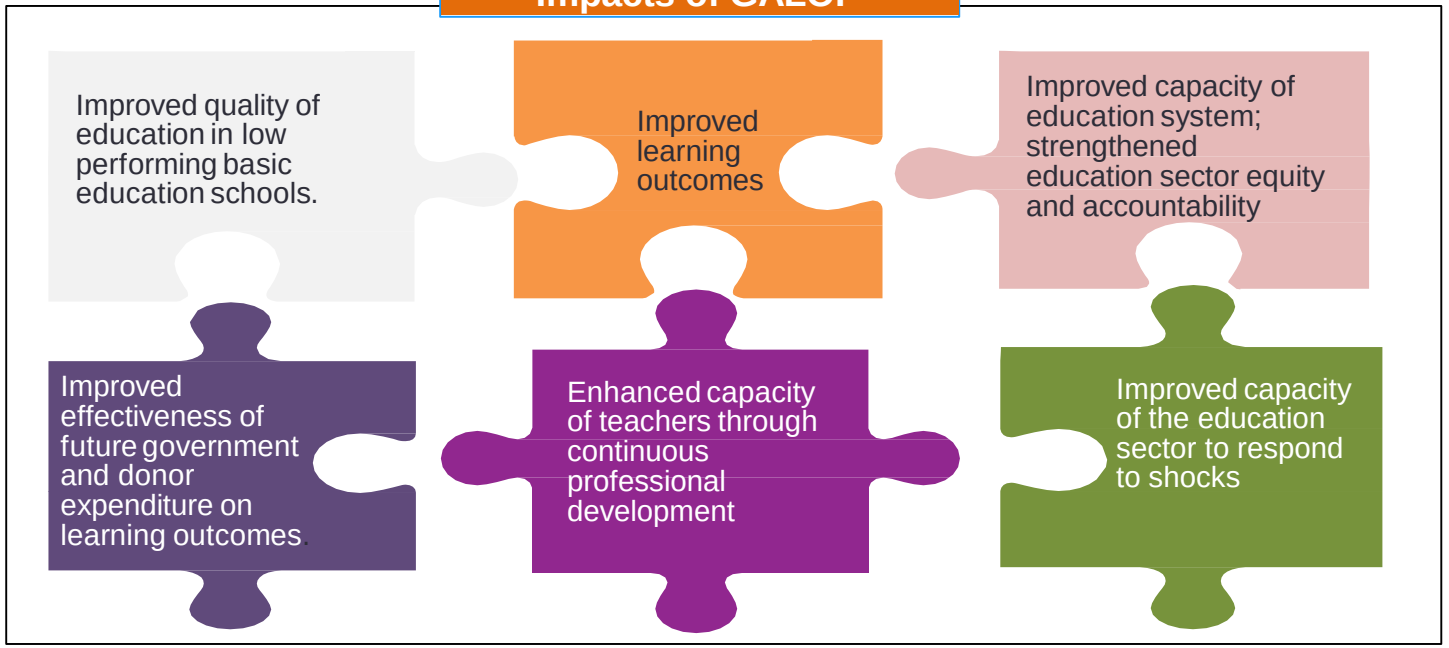
- Improve competitiveness of Ghanaian Students to match the best in the world.

Source: Ministry of Education

Appendix 4: Policy Initiatives: The Ghana Accountability for Learning Outcomes Project (GALOP)

- The Ghana Accountability for Learning Outcomes Project (GALOP) is a five-year project launched in 2020 whose goal is to improve education quality in low-performing basic education schools while also strengthening fairness and accountability in Ghana's education sector.
- GALOP focuses on the 10,000 lowest-performing elementary, middle, and high schools, as well as all 28 special institutions. It also focuses on improving the overall responsibility of the educational system.
- The total project amount is **US$218.7 million.** It is jointly funded by the World Bank, Department for International Development (DFID) and the Global Partnership for Education (GPE).

Impacts of GALOP



Key Facts of GALOP

- Approximately 2.4 million pupils to benefit from the program.
- Capacities to be built for 1,300 staff from all 260 District Directorates of Education.
- All School Management Committee (SMC) members in the 10,028 targeted schools to benefit from management training programmes.
- 76,000 teachers engaged.

Source: Ministry of Education

Appendix 5: List of abbreviations

AfCFTA	African Continental Free Trade Area
BECE	Basic Education Certificate Examination
GDP	Gross Domestic Product
ICT	Information Communication Technology
NAB	National Accreditation Board
PHD	Doctor of Philosophy
SDG	Sustainable Development Goals
SHS	Senior High School
STEM	Science, Technology, Engineering & Math
UNESCO	United Nations Educational, Scientific and Cultural Organisation
WASSCE	West African Senior Secondary Certificate Examination