**The Effective Utilisation of TETFund Intervention Funds: Challenges and The Way Forward**

Being the Speech of the **Executive Secretary**, Tertiary Education Trust Fund (**TETFUND**),

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Delivered at

The National Conference on **Transparency, Accountability and Ethical Values** held at the Sheraton Hotel and Towers, Abuja, Nigeria on Tuesday 21st May, 2014

**PROTOCOLS**The Chairman, Justice S. M. A.  Belgore (rtd);

The Chairman, ICPC, Barrister Ekpo Nta;

The Chairman, TETFUND BOT, Dr. Musa Babayo
Resource Persons and Invited Guests
Distinguished participants
Ladies and gentlemen
**INTRODUCTION**

Permit me pay tribute and appropriate respect to this very qualitative audience of the critical leaders and stakeholders in the tertiary education subsector of this country.

Your massive response to our invitation to this epoch making event is a reflection that we Nigerians are ready to support the laudable transformation programs of President Goodluck Jonathan in the education sector. To my mind, the huge response to our invitation is akin to the desired collective response appropriately advocated against the challenge of terrorism and violence this country is facing. Indeed, if we collective decide to be committed to transparency, accountability and ethical issues in our campuses as our large turn-out here suggests, our society will re-invent itself and Nigeria will take its rightful place in the comity of nations.

I must confess that I have been greatly inspired by the illuminating papers and vibrant discussions that have engaged us since yesterday. My inspiration is also reinforced by two things; my recent assumption of office as the Executive Secretary of TETFund, five weeks today, to be precise, and my entire career in the University system where I had the privilege of participating in the struggles that gave birth to Education Tax Fund in 1993, which after two decades has now been transformed into an indigenous export brand, with countries like Ghana, Tanzania, Liberia and Sierra Leone adopting the TETFund model in their countries. Behind my inspiration, I must admit that I am also challenged by the rich and persuasive analysis of the conditions of the Universities, Polytechnics and Colleges of Education and the solutions proffered on how to make intervention funds more effective by the previous speakers and discussants. Listening to the incisive presentations and contributions at this meeting tells me that the Board of Trustees and management of TETFUND did a “good thinking” as the Chinese would say, by providing the financial muscle to ICPC and the Office of the Special Adviser to the President on Ethics and Values to host this important meeting of education stakeholders to reflect over, review its research findings and make informed recommendations on how best to address the monster of the paucity of transparency, accountability and ethical issues that have conspired to hold embarrassingly prostrate our tertiary institutions. I commend them and truly wish to join in the expose and to share the TETFund perspectives on the challenges to the effective utilization of intervention funds; and our thoughts on the way forward at this National Conference on Accountability, Transparency and Ethical values in Tertiary Institutions. The migration of ETF from providing intervention funds across all education sectors to only the tertiary levels as occasioned by the amendment of the Education Tax Act of 2011. The new act brought about the re-invigoration and refocusing of the Fund to expand its intervention packages. These include the Academic Staff Training and Development (ASTD), National Book Development Fund (NBDF), National Research Fund (NRF) and the High Impact Projects, Conference Attendance, Institutional Journal Publication, Research Manuscript Development etc.

This conference is timely because of the increased concerns on the education sector; concerns such as its ability to propel Nigeria’s economic competitiveness and equitable growth. Indeed, these concerns are genuine as a country’s development is anchored on the strength of its education system. As an illustration, according to the 2013 World Economic Forum report, Switzerland’s economy, the most competitive in the world, is characterized by its unprecedented investment in Research & Development and the sturdy collaboration between its academic and business sectors. A second example is the United States of America, whose economic competitiveness is supported by an excellent university system. If you are still in doubt, consider Singapore, who within 3 decades transformed itself from a third world country to a thriving modern economy, by focusing amongst others, on the quality of its academic institutions.

Indeed, a strong education system is the backbone of any economic transformation. At the 20th Nigerian Economic Summit, the group described education as the sector that holds the key to national development and Nigeria’s ability to compete on the global stage. It was with this in mind that the Tertiary Education Trust Fund (TETFUND), known at inception as and Education Tax Fund (ETF) in 1993 was setup, but began operation in 1999. The Fund was commissioned to financially empower higher institutions in Nigeria to fulfil their mandate through the following:

1. The provision of essential physical infrastructure for teaching and learning
2. Provision of instructional materials and equipment
3. Research, book development and publication
4. Academic staff training and development
5. Any other need essential for the improvement of quality and maintenance of standards in the educational institutions.

**FUNDING**

We are aware of on-going debates on the benefit of intervention funds on the education system. On the one hand, some argue that the funds being allocated are insufficient to make a significant impact on the quality of our tertiary education while others argue that putting in more funds does not significantly improve the performance or output of the education system. If I asked everyone seated here to draw up a case either for or against these arguments, I am sure we would get a good debate going.

Notwithstanding, the argument for the government is usually to provide more resources to institutions to improve access and standards. According to NOIPolls (Ngozi Okonjo Iweala Polls), the premier company for country specific polls in Nigeria, the majority (67%) of Nigerians believe that Federal and State Universities need to be funded for improved standards of education. Subsequently, from the recent ratings of our government institutions to the frequent strikes by academic staffs, the undertone of every discussion is the need for improved infrastructure and quality training for lecturers. Furthermore, in a 2007 survey by McKinsey & Co on ‘How the world’s most improved school systems keep getting better” they identified increased funding to transform education systems and institutions as a key factor in improving the academic process and output of students. It is not surprising then, that in April 2014, amongst other intervention funds, the World Bank approved US$150 million to finance 19 university-based Centres of Excellence in seven countries in West and Central Africa, in particular, Nigeria was allocated US$70 million for the financing of 10 tertiary institutions.

I am pleased to note that since the TETFUND Act was amended in 2011, the organization has invested Hundreds of Billions to tertiary institutions across board - Universities, Polytechnics and Colleges of Education. Through these funds we have been able to rehabilitate and upgrade laboratories of 51 Federal and State Polytechnics, we have constructed micro-teaching laboratories in 58 Federal and State Colleges of Education, we have trained and developed close to 10, 000 academic staff both locally and internationally and supported 29 institutions to develop and publish research journals both locally and internationally. These are just a few highlights.

Generally, the Nigerian education system is often characterized by decrepit infrastructure, deteriorating equipment and facilities; under-equipped laboratories, inadequate textbooks and other teaching materials; poorly stocked libraries, poor administrative and managerial strategies, insufficient or incompetent teachers and so on but our interventions over the years have had measurable success in reducing these bottlenecks and improving access to quality education for all, as is the mandate of my organization – TETFUND. However, more still needs to be done and the academic institutions have an important role to play, especially in light of the heightened expectations for federal and state tertiary institutions.

It is clear, of course, that simply investing more money into the system is not itself an answer; how that money is spent matters greatly in creating a strong and vibrant education sector. The underlining premise of this statement is based on our working relationship with tertiary institutions and their ability to access and sustain available funds for the implementation of viable projects. For instance, from 1999-2013, TETFUND has allocated about **~~N~~297** billion to Universities, Polytechnics and Colleges of Education but has only disbursed 55% of the funds. The question I hear you ask is, ***why***? Others may include, ***is the system inefficient***? ***What are the existing challenges***? ***How can they be overcome***? Some of the challenges encountered and the way forward from our view include:

The challenge of funding is very serious. In 2013, TETFund allocations to Universities, Polytechnics and Colleges of Education stood at N31.338 Billion, N12.950 Billion and N12.550 Billion respectively. These are supposed to complement their Capital Allocations and Internally Generated Revenue (IGR). Somehow, TETFund intervention funds have remained the guaranteed source of capital allocations in public tertiary institutions in the past two decades.

The way forward on this challenge is therefore to make capital allocations to TEIs a first line charge, and encourage them to commercialize their research findings to raise additional funds.

**UNACCESSED FUNDS**

Accumulated unaccessed funds is a major challenge considering the existing infrastructure deficits in Tertiary Education Institutions. For example, between 2011- 2013, the cumulative amount of unaccessed funds across the institutions was ~~N~~65, 058, 299, 772.28. Various measures have been introduced to fast-track fund accessing by institutions, notably the merging of up to three years allocations.
Unfortunately, any corrective measures that make institutions lose their unaccessed funds raise equity issues. However, this cannot be a continued justification for institutional managers to aggravate the poor conditions of the affected TEIs.

The way forward is to make institutions that lack the capacity to access funds to forfeit their subsequent allocations since intervention funds by their nature are not investment funds and should lapse once not utilized within the current period.
**VIOLATION OF PUBLIC PROCUREMENT ACT (2007)**

The Bureau of Public Procurement (BPP) has been drawing the attention of the Fund to the frequent violations of the PPA 2007 in the award of contracts by TEIs. Non adherence to the provisions of the Act leads to petitions and delays in project implementation. These further stall project execution and accumulation of intervention funds.

To reverse the trend, the Fund will continue to collaborate with the Bureau to build the capacity of beneficiary staff handling TETFund projects to eliminate the challenges associated with Due Process compliance.

**LACK OF CAPACITY TO IMPLEMENT MEGA PROJECTS**

From 2011 when tertiary institutions started to get intervention funds running into billions of Naira, the dearth of capacity to manage mega projects came to constitute a challenge leading to delays in project implementation and accessing of funds. We have recognised the need for beneficiary institutions’ capacity building and the engagement of Projects Consultants a way forward in this area. Whatever is necessary to assist us facilitate and improve the rate of performance and implementation capacity of beneficiary institutions, we shall in hesitantly do in national interest with the objective of responsible stewardship that can help in bequeathing a generation of tertiary institutions that can admirably compete on the global stage of best practices and standards.

**NEGLECT OF INSTITUTIONS BY SOME PROPRIETORS**

Proprietors of some tertiary institutions have over the years failed to make adequate budgetary provisions for capital projects, thereby leaving tertiary institutions without capital allocation. This happens largely because of the regular and sustained allocations from the Fund. This should not continue if our tertiary institutions are to turn out quality products competitively. Proprietors must consistently make capital allocations in addition to the recurrent ones. In this regard, it is important at this point to commend the unprecedented commitment of non-statutory capital allocation of one trillion, three hundred billion Naira (N1.3b) to Universities between 2013 and 2018 by President Goodluck Jonathan as his response to the demands of ASUU. If this special concession and massive injection of funds into our Universities are properly utilized, it will definitely impact positively on the transformation of our Universities to the desired infrastructural level we have all craved for.

**THE WAY FORWARD**

From the foregoing, it is evident that availability of funds on the table does not solve all the problems and challenges in our tertiary institutions. Our recent experiences have shown that the challenges of quality of governance, political interference, corruption and moral degeneration and unethical practices have emerged as very serious issues that all of us, including the various unions, in our institution must address. The localization and over-localization of the headship and other levels of leadership in our tertiary institutions has contributed to unnecessary rancour and available conflicts, and in the process, academic standards and best practices have been jettisoned. These issues have contributed to the lowering of standards.

Let me conclude by saying, **change will not come if we wait for some other person or some other time**. We are the ones we've been waiting for. We are the change that we seek[[1]](#footnote-1). I urge the tertiary institutions here present to take responsibility of the growth and development of their institutions so that together we can build a strong education system that can rival the best in the world. As Nelson Mandela also rightly observed that “Education is the most powerful weapon which you can use to change the world”. It is this realism that must have informed President Goodluck Jonathan’s patriotic commitment to equal access to education by all Nigerians through the establishment of 12 new Federal Universities and the setting aside of special funds to cater for educationally disadvantaged segments of our society in different parts of the country. Surely, if local and regional leaders and all key stakeholders like you and me in this country internalize the message that inclusive and qualitative education matched by responsible management in our educational institutions is a task we must achieve, this great country will reclaim lost grounds. If we illuminate our corners and our tertiary institutions with correctitude’s and exactitudes, posterity will be kind to us.

Distinguished guests, ladies and gentlemen, with these remarks, I urge you to give TETFund, ICPC and the Office of the Special Adviser to the President on Ethics and Values your support so that we can effect the change we desire.

Thank you for your attention.

1. Quote by President Barrack Obama [↑](#footnote-ref-1)