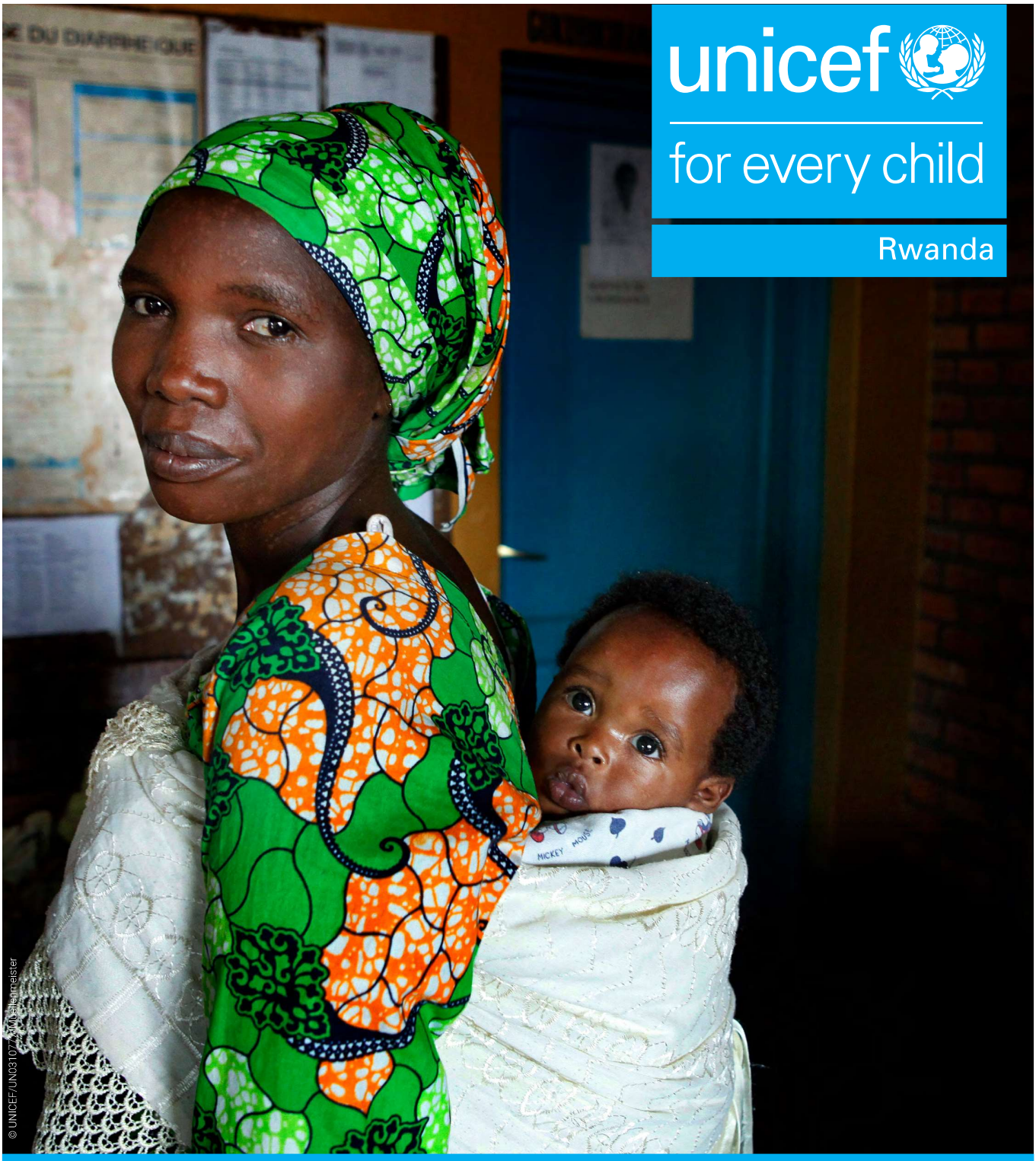


Health Budget Brief

Investing in Children's Health in Rwanda

2022/23

Health Budget Brief. Investing in Children's Health in Rwanda 2022/23

© United Nations Children's Fund (UNICEF) Rwanda
November 2022

Preface

This health budget brief explores the extent to which the Government of Rwanda (GoR) addresses the health needs of children under 18 years of age and mothers in the country. The brief analyses the size and composition of budget allocations to the ***health sector for the 2022/23 financial year***. The aim of the budget brief is to synthesize complex budget information and offer recommendations to strengthen budgeting for children. Financial data used in this analysis are drawn from the 2022/23 finance law as well as revised budgets from previous years.

Key Messages and Recommendations

Budget allocations for the health sector have decreased from FRW 434.2 billion in the 2021/22 revised budget to FRW 365.2 billion in 2022/23. This translates into a reduction of 18 percent. However, more budgetary resources are needed to bolster primary health care, particularly rural health sector infrastructure and community health, to enhance equitable access to quality health services and achieve universal health coverage (UHC).

For Rwanda to achieve the SDG targets on maternal and new-born health, substantial investment will be needed in quality of care at the facilities where women receive antenatal care and give birth, as well as where sick mothers and new-borns are referred. This includes continued investment in skills development of key personnel and timely referrals which will be paramount to support further achievements.

The health sector continues to attract external financing through grants and loans. In 2022/23, domestic resources allocated to the health sector amount to FRW 181.9 billion, representing 51.1 percent of the total health sector budget, while the remaining budget is financed through external support. To strengthen the health sector's financial sustainability, there is a need for a sustained increase of the domestic budget allocated to the health sector, both in the medium and long terms.

© UNICEF/UN0258678/Rusanganwa

1. Introduction and Sector Overview

The health sector is coordinated by the Ministry of Health (MOH), which has a mission of providing affordable, promotive, preventive, curative, and rehabilitative health care services to the Rwandan population. For the execution of health policies and programmes, MOH is supported by the Rwanda Biomedical Centre (RBC) and the Rwanda Food and Drug Authority (RFDA).

Health services in Rwanda are provided at various levels of the health system by public, faith-based, private for-profit and non-governmental organizations.

Three levels of health service provision can be identified:

1. *Primary health care*: Basic prevention, care, and treatment services are provided in health posts (HPs), health centres (HCs), and by Community Health Workers (CHWs).
2. *District health care*: Upon referral from HCs, district hospitals (DHs) undertake advanced diagnosis and treatment.
3. *Provincial and referral*: Upon referral from DHs, provincial hospitals provide more advanced critical care and can refer patients to referral hospitals for specialized services.

The health sector priorities are defined by: (i) the National Strategy for Transformation (NST1) for the period of 2017–2024, (ii) the fourth Health Sector Strategic Plan (HSSP4) for 2018/19 – 2023/24, and (iii) a Health Financing Strategic Plan for 2018-2024. Health sector priorities are summarized under the pillar "**Enhancing demographic dividend through ensuring access to quality health for all.**" Specifically, the following are the sector priorities (MINECOFIN, NST1: 2018 and MoH, 4th HSSP: 2018):

- Reduction of prevalence of stunting
- Improvement of maternal mortality and child health
- Construction and improvement of health infrastructure
- Strengthening health sector financing and health service delivery
- Increasing quality of human resource for health
- Ensuring availability and sufficient resources to financing the delivery of health services in line with the Health Sector Strategic Plan
- Strengthen disease prevention awareness and reduce Communicable and Non-Communicable Diseases
- Digitalizing health services to enhance data driven decisions and prioritization of resources
- Institutionalizing and scaling up innovations and new proven impact interventions to accelerate Universal Health Coverage (UHC)

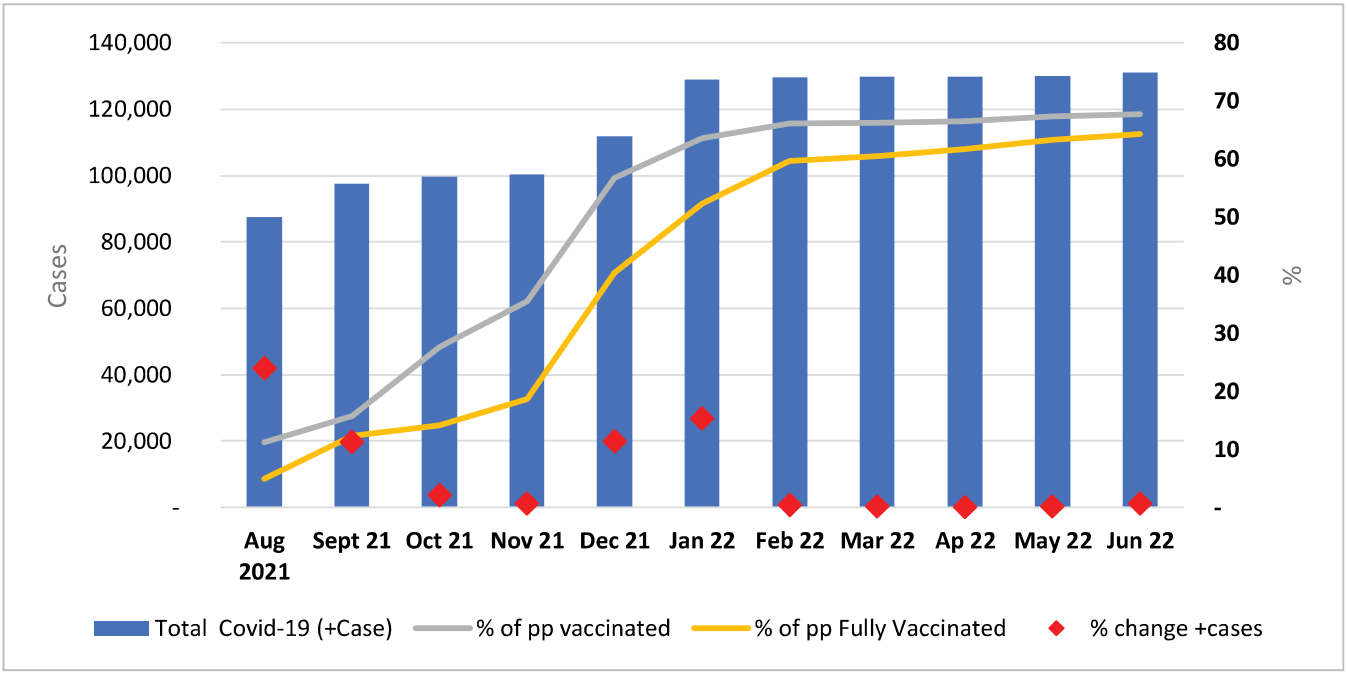
© UNICEF/UN0308930/Nkinzingabo

1.1. COVID-19 Vaccination Trends

Rwanda continues to recover from the COVID-19 pandemic crisis with the help of notably successful vaccination campaigns in addition to other response measures. The latest data collected by Our World Data Initiative (July 2022) show that in Rwanda, as of 30th June 2022, a total 22,931,472 vaccinations were delivered, reaching 9.1 million people. This indicates that 64.3 percent of the population was fully vaccinated with at least two doses, while 37 percent received booster doses.

Since August 2021, COVID-19 positive cases have gradually reduced while vaccination has been rapidly increasing up to February 2022, when it plateaued to around 67 percent (with one dose). By the end of June 2022, 68 percent of the population received at least one COVID-19 vaccine dose, 64.3 percent were fully vaccinated (having received at least two doses), while the new COVID-19 positive cases were down to less than one percent (**Figure 1**). The rapid scale-up of COVID-19 vaccination coverage has enabled a return to normalcy and recommencement of economic and social activities.

Figure 1: COVID-19 and its vaccination Trends in Rwanda



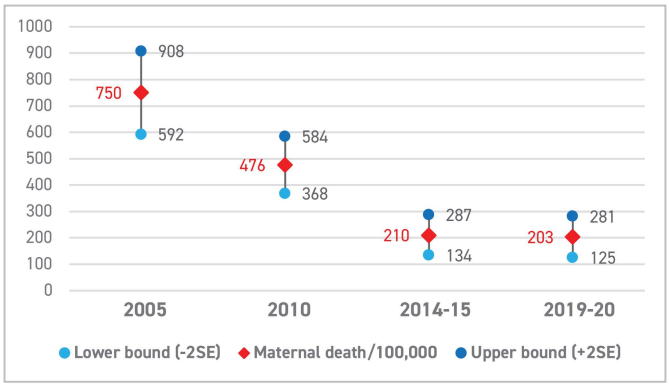
Source: *Calculated using Our World Data in the University of Oxford database.*

1.2. Health Sector Performance against Selected Indicators

The maternal mortality rate dramatically reduced between 2005 and 2014/15 but has stagnated since then.

The data from Demographic and Health Surveys indicate that the maternal mortality ratio had been steadily reducing from 750 per 100,000 live births in 2005 to 210 in 2014/15, indicating an annual reduction of 54 deaths per 100,000 live births. However, between 2014/15 and 2019/20, the radio reduced from 210 to 203 deaths per 100,000 live births. This shows an estimated annual reduction of only 1.5 deaths per 100,000 live births. The GoR aims to reduce the maternal mortality ratio to 126 by 2024, but progress is not on track (**Figure 2**). This calls for increased strategic measures and investments to accelerate the reduction of maternal mortality in the medium

Figure 2: Trend of Maternal mortality ratio per 100,000 live births (2005–2020)



Source: *Demographic and Health Surveys (DHS) reports and NST1)*

and long term. There is also a need to scale up high-impact interventions which adopt innovative solutions that focus on increasing the quality of health care services, increasing health human resources, and improving hygiene in health facilities.

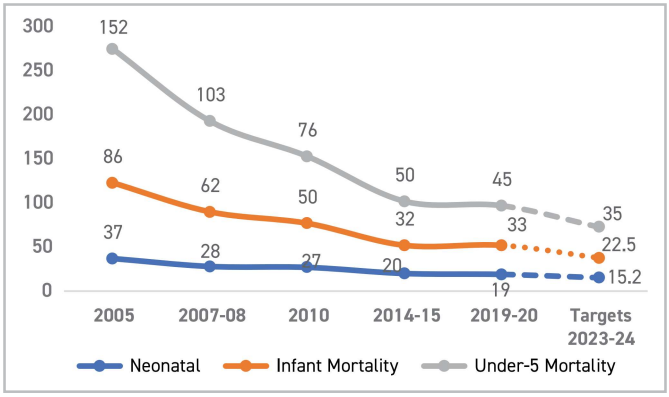
Child health has also seen commendable improvements in Rwanda over the past decade, with under-5 mortality declining from 152 per 1,000 live births in 2005 to 45 in 2019/20. Most of these gains have been made in children older than 1 year of age. However, stagnation can be seen in the neonatal mortality rate, which according to the Demographic and Health Survey (DHS) reduced from 20 per 1,000 live births in 2014/15 to 19 per 1,000 live births in 2019/20. (**Figure 3**).

Given over 40 percent of deaths among children under 5 occur in the first 28 days of life, there is a need to strengthen interventions focused on improving neonatal services linked with maternal health interventions. This includes (i) improving the competency, skills and motivation of nurses and midwives; (ii) redesigning services to be patient centred and provider sensitive; (iii) institutionalizing quality improvement processes linked to causes of death, (iv) ensure timely transfer of critical cases and (v) Strengthening provincial hospitals to provide specialized care at decentralized level.

Infant and under-5 mortality rates show inequitable performance across wealth quintiles. The DHS 2019/20 shows that the under-5 mortality rate among the highest wealth quintile is 30 per 1,000 live births, compared to 72 per 1,000 live births among the lowest wealth quintiles. Furthermore, infant mortality is 45 per 1,000 live births in the lowest income quintile but reduces to 21 per 1,000 live births in the highest income quintile (**Figure 4).** Therefore, policy interventions to improve child health should give more priority to low income and other vulnerable households to ensure equitable health outcomes among Rwandan children.

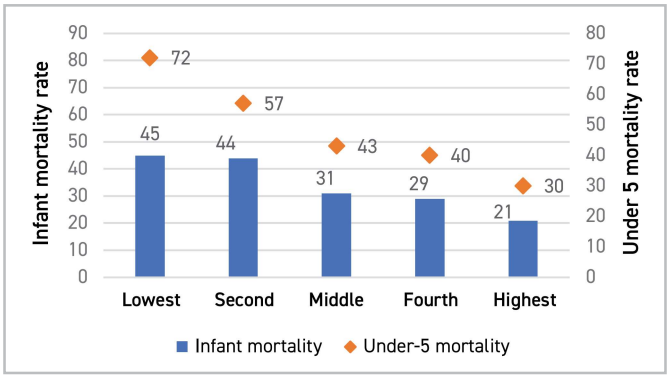
Despite high levels of stunting, the nutrition status among children under-5 has improved over the past ten years. The DHS 2019/20 results show a reduction in stunting among children under 5 from 38 percent in 2014/15 to 33 percent in 2019/20 (**Figure 5**). As outlined in NST1, the GoR aims to reduce the stunting rate to 19 percent by 2024. Over the past five years, there has been a stronger coordination in stunting reduction programmes through the establishment of the National Early Childhood Coordination Program (NECDP), which was reformed in 2020 to establish the National Child Development Agency (NCDA). Among its responsibilities, NCDA is tasked with the mandate to support the promotion of a multisectoral approaches and monitor public investments to improve nutrition nationwide.

Figure 3: Trends in Childhood mortality (deaths per 1000 live births)



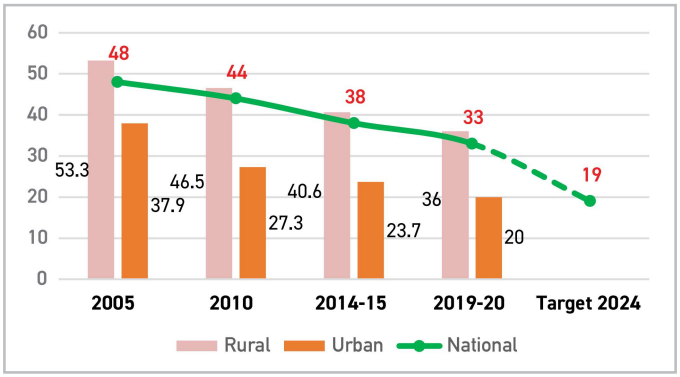
Source: *Demographic and Health Surveys (DHS) reports and NST1)*

Figure 4: Infant and under-5 Mortality rates by wealth quintiles



Source: *Source: Demographic and Health Survey (DHS) report*

Figure 5: Trends in Under-5 stunting rates (%)



Source: *NISR , Demographic and Health Survey reports*

2. Trends in Government Spending in the Health Sector

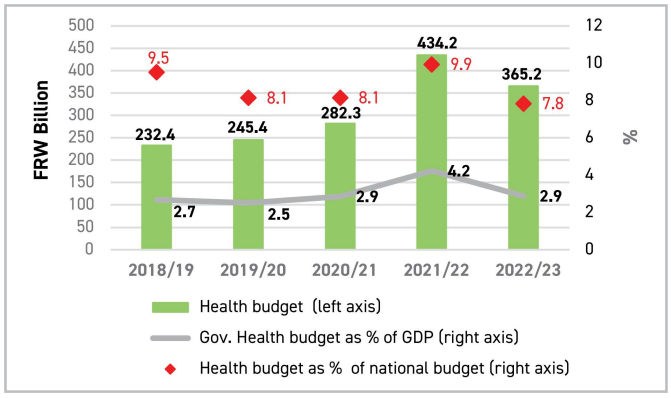
The budget allocation for the health sector has decreased from FRW 434.2 billion in the 2021/22 revised budget to FRW 365.2 billion in 2022/23. This shows that the health sector budget has been downsized by 18.0 percent. The share of the health sector in the national budget reduced from 9.9 percent in 2021/22 to 7.8 percent in 2022/23, while as a share of GDP, it has reduced from 4.2 percent to 2.2 percent.

The budget reduction is partly explained by significant investments made in 2021/22 to cater for the purchase and distribution of COVID-19 vaccines (**Figure 6**). Lessons from the COVID-19 pandemic call for more public investment in the health sector to increase the system's resilience to future health emergencies.

Across selected countries in the region with comparable health expenditure data, Rwanda has been spending a relatively large budget on health as a share of its national Gross Domestic Product (GDP). World Bank data (2020) shows that, on average, Sub-Saharan African countries' health expenditure as a share of GDP has been hovering around 5 percent between 2016 and 2019. Rwanda's health expenditure (both public and private) has been above 6 percent of GDP during the same period, while health expenditure in Uganda and Tanzania was around 4 percent of their respective GDPs (**Figure 7).**

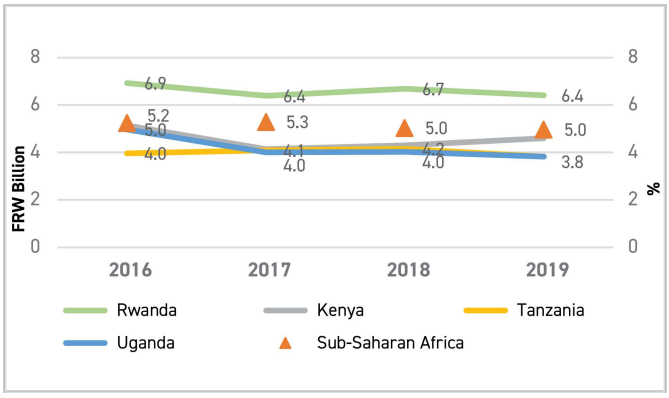
Estimates of current health sector expenditure include healthcare goods and services consumed each year. This indicator, however, excludes capital health expenditure such as buildings, machinery, IT, and vaccine stocks for emergencies or outbreaks.

Figure 6: Health budget in FRW billion and as a share of total budget and GDP



Source: *Calculated using State finance laws and Macro-framework data*

Figure 7: Health sector expenditure as a share (%) of GDP by selected countries



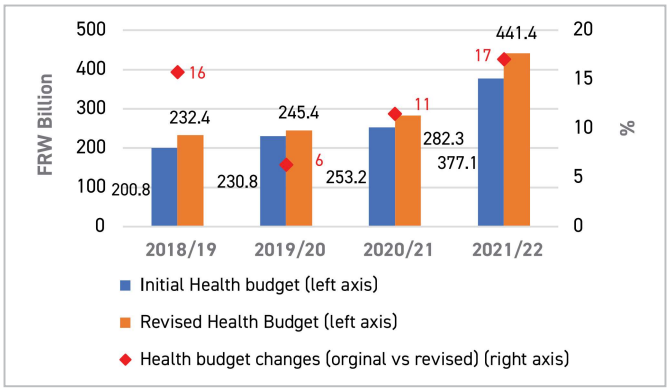
Source: *Calculated using World Bank Development Indicators Database (WDI)*

© UNICEF/UN0302705/Rusanganwa

3. Health Sector Budget Changes: Budget Revisions

The mid-year budget revisions aim to respond to emerging priorities during the budget execution period, align expenditures with revenue flows, and capture new financial commitments from development partners that may be formalized halfway through the budget execution cycle. Over the past five years, the budget for the health sector has been consistently revised upward in nominal terms. In 2021/22, the health sector budget was revised up by 17 percent, from FRW 377.1 billion to FRW 441.4 billion (**Figure 8**). The upward revision is an indication of the government's commitment to deal with emerging priorities in the health sector.

Figure 8: Initial vs. revised Health sector budget



Source: *Calculated using the National Budget laws*

© UNICEF/UN0310766/Muellenmeister

4. Composition of Health Spending

4.1. **Health Sector Priorities:** Budget Trends for Selected Programs

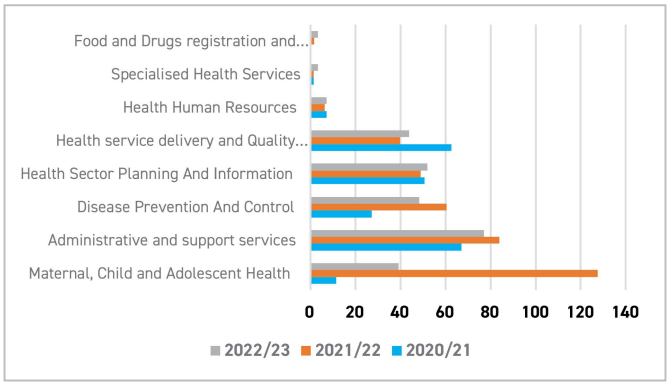
There are five major health sector priority programmes in the national budget: (i) Health Service Delivery Quality Improvement, (ii) Health Sector Planning and Information including Health Financing, (iii) Disease Prevention and Control, (iv) Administrative and Support Services (health sector governance), and (v) Maternal, Child and Adolescent Health. Among the five, the Maternal, Child and Adolescent Health program budget spiked in 2021/22 due to COVID-19 vaccine costs, with a total of FRW 127.6 billion. In 2022/23, the Maternal, Child and Adolescent Health program was allocated FRW 39.2 billion. The budget allocation for Administrative and Support Services was reduced from FRW 83.8 billion in 2021/22 to FRW 77.0 billion in 2022/23. Allocations for Health Sector Planning including the Health Financing sub-program increased from FRW 49.0 billion in 2021/22 to FRW 51.0 billion in 2022/23, and the budget for Health Service Delivery and Quality Improvement also increased from FRW 39.7 billion to FRW 43.8 billion (**Figure 9**).

Further analysis of the Child, Maternal and Adolescent Health Program shows that the Vaccines and Preventable Disease sub-program continues to receive the largest portion of the budget with RWF 20.4 billion allocated in 2022/23. The budget for the Nutrition sub-programme has increased from FRW 2.3 billion to FRW 9.4 billion, thanks to the World Bank project focusing on stunting reduction. The budget for Maternal and Child Health increased from FRW 800 million in 2021/22 to FRW 7.5 billion in 2022/23, while the allocations for the Community Health and Family Planning sub-programmes were maintained at FRW 1 billion and FRW 800 million respectively (**Figure 10**).

As the country recovers from the public health and socio-economic challenges caused by COVID-19, there is a need for more public investments in health system strengthening to increase preparedness and response to future pandemics. More budgetary resources are importantly needed to bolster rural health sector infrastructure and community services to enhance equitable access to quality health services, especially for the poor and underserved communities. Quality of care at health centres and hospitals with the most significant maternal and new-born morbidity and mortality should be prioritized.

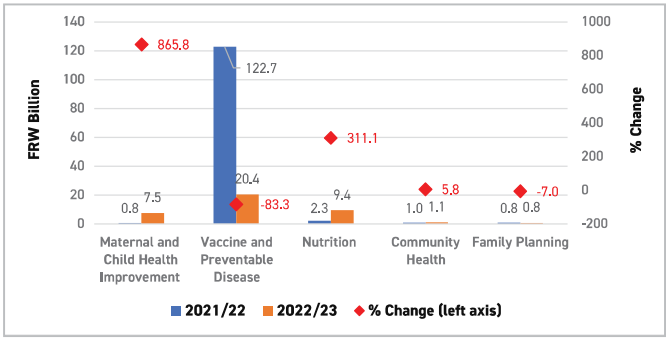
Quality of care, management support, and human resources remain key barriers to the desired outcome of addressing maternal and neonatal health and inequities. The country's fourth Health Sector Strategic Plan 2018-2024 recommends that interventions rest on comprehensive quality health care across the life course.

Figure 9: Budget allocations by health sector priorities in FRW billion



Source: Calculated using the National Budget laws

Figure 10: Budget allocations under Maternal, Child and Adolescent Health (Frw Billion)



Source: Calculated using state finance laws

© UNICEF/UNI335988/Rusanganwa

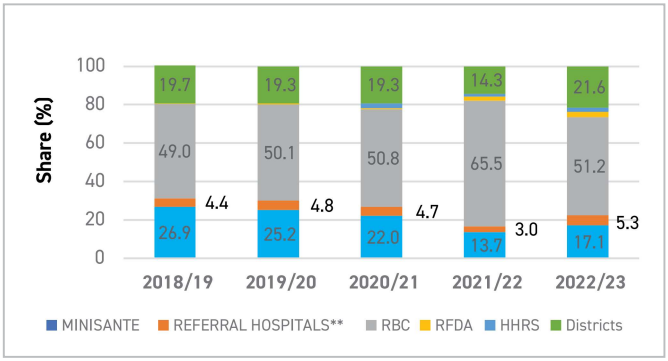
The Community Health Investment Case (2021) reveals that investing in the Community Health Programme in Rwanda generates exponential returns, not only in terms of health outcomes but also in economic terms. Increasing public investment of the CHP by 45 percent is likely to generate a return of 150 percent and avert 576 maternal deaths and around 14,000 under-5 deaths.

4.2. Budget Allocation by Agency

The analysis of the budget allocations by spending agencies shows that the Rwanda Biomedical Centre (RBC) is allocated the largest share of the health sector resources representing 51.2 percent in 2022/23 compared to 65.5 percent allocated in 2021/22. The health sector budget shares allocated to the districts and the Ministry of Health have increased from 14.3 percent and 13.7 percent in 2021/22 to 21.6 per cent and 17.1 per cent in 2022/23 respectively (**Figure 11**).

To enhance the achievement of equitable health outcomes, there is a need to strengthen the Community Health Programme through budget increases to districts and other decentralized health systems.

Figure 11: Share of Health budget by spending agencies (%)



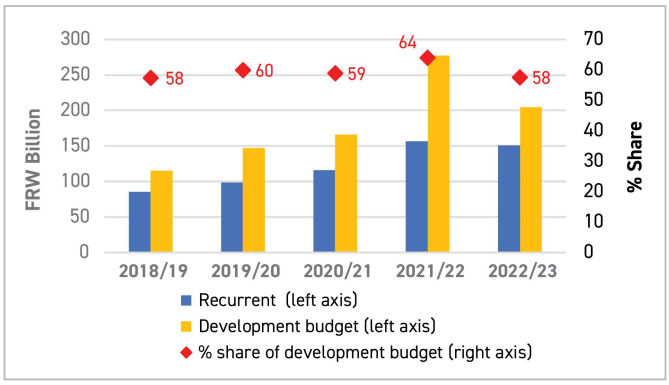
Source: *Calculated using state finance laws*

© UNICEF/UN356179/Kanobana

4.3. Health Budget by Recurrent and Development Categories

The development budget continues to dominate the health sector budget allocation, as it accounts for 57.5 percent of the total budget in 2022/23. Despite a decrease, the development budget of the health sector amounts to FRW 204.7 billion in 2022/23, down from FRW 277.5 billion in 2021/22. The recurrent budget is FRW 151.1 billion this year against FRW 156.7 billion in 2021/22 (**Figure 12**). However, it is worth noting that according to the budget classification, externally financed projects are recorded under the development budget in the finance law even though these may be used partly to finance recurrent expenditure in nature.

Figure 12: Health budget allocation by recurrent and development budget categories



Source: *Calculated using state finance law*

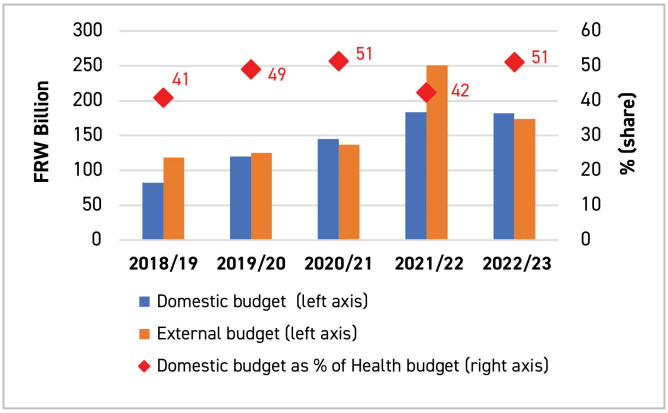
© UNICEF/UN0308926/Houser

5. Financing of the Health Sector

The Health Sector continues to attract external financing through support from donors and external loans, but the nominal value of the domestic budget for health continues to rise.

In 2022/23, domestic resources allocated to the health sector amount to FRW 181.9 billion representing 51 percent of the total health sector budget, slightly down from FRW 183.7 billion in 2021/22. The external budget amounts to FRW 173.9 billion down from FRW 250.5 billion in 2021/22, reflecting a decrease of 31 percent (**Figure 13**). A trend analysis shows that the domestic budget allocated to the health sector is at a similar level with the 2020/21 budget. The sharp increase in external finances in 2021/22 was mainly driven by the increase in resources mobilized to cater for the COVID-19 response plan, including vaccination. To strengthen the sector's financial sustainability in the medium and long term, there is a need for strategic measures like fiscal reforms and innovative financing for the health sector to gradually increase the share of the domestic budget allocated to the health sector.

Figure 13: Sources of financing of the health sector budget



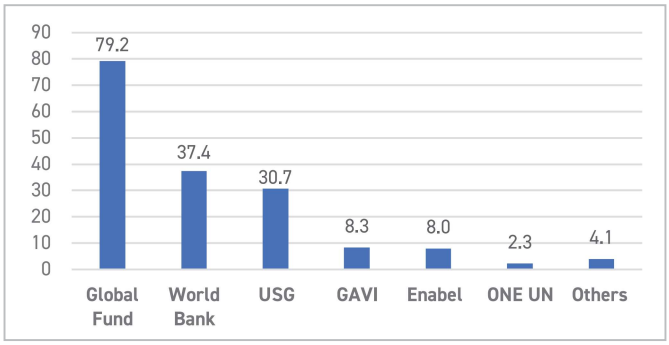
Source: *Calculated using state finance law*

4.3. Major Donors in the Health Sector

The Global Fund, World Bank, US Government through PEPFAR, Belgian Development Agency (Enabel), GAVI Alliance and ONE UN are the main partners financing the health sector in Rwanda through the national budget.

For the 2022/23 fiscal year, the Global Fund (GF) has committed FRW 79.2 billion to support the health sector. Through grants and loans, the support from the World Bank amounts to FRW 37.4 billion, and the US Government (through PEPFAR and other mechanisms) has committed FRW 30.7 billion to be channelled through the national budget. The budget from the GAVI Vaccine Alliance amounts to FRW 8.3 billion. Enabel is contributing FRW 8 billion, and the budget from ONE UN (UNICEF, UNFPA and WHO) totals FRW 2.3 billion (**Figure 14**).

Figure 14: Main partners supporting the health budget by funding size in 2022/23 (in RWF billion)

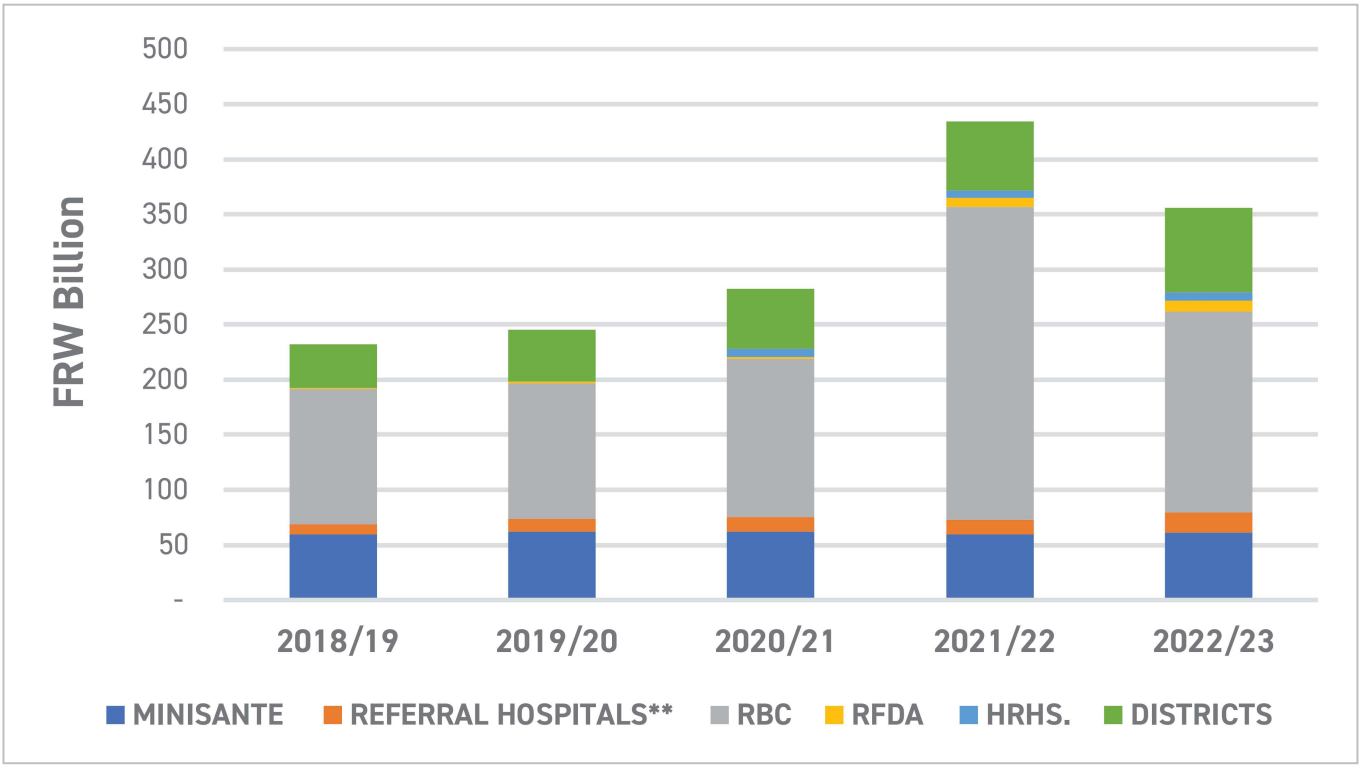


Source: *Calculated using state finance law*

It is important to note that some of the financial and technical support offered by donors and development partners agencies to the health sector is channelled outside of the national budget (often through NGOs and CSOs) and that off-budget support is not covered under this budget brief.

© UNICEF/UN0319761/Kanobana

Annex 1: Budget allocations by agency (FRW Billion)



Source: *Calculated using the State finance laws*
** CHUK, CHUB

© UNICEF/UN0319760/Kanobana

Annex 2: Strategic documents and targets

Strategic documents	Key sector outcomes and targets
Rwanda Vision 2020: A long-term, 20-year development vision	➤ A reduction of: – The maternal mortality rate from 1,070 to 200 per 100,000 live births – The infant mortality rate from 107 to 50 per 1,000 live births – Fertility rate from 6.5 children per woman in 2000 to 4.5 children in 2020
National Strategy for Transformation (NST1)- 2017-24	Enhancing the demographic dividend by ensuring access to quality health for all: ➤ Construct and upgrade health facilities with adequate infrastructure (100% access to electricity and water) ➤ Improve Maternal Mortality and Child Health by reducing maternal mortality ratio to 126:100,000 in 2024 from 210:100,000 (2013/14), and under-5 mortality rates to 35:1000 in 2024 from 50:1000 (2013/14) ➤ Digitalization of health services (comprehensive and integrated information systems) to enhance data-driven decisions, quality, continuity, and prioritization, ➤ Institutionalization/scaling-up of innovations and new proven impact interventions to accelerate Universal Health Coverage ➤ Ensure vaccination coverage and delivery at health facilities is at above 90% ➤ Increase the number and quality of human resources (general practitioners, specialists, nurses, and qualified administrators) to: – One medical doctor per 7,000 people from 10,055 – One nurse per 800 people from 1,142 – One midwife per 2,500 from 4,037 ➤ Scale up efforts to raise awareness on reproductive health and increase contraceptive prevalence from 48% (2013/14) to 60% in 2024 ➤ Strengthen disease prevention awareness and reduce Communicable and Non-Communicable Diseases (NCDs)
Health Sector Strategic Plan (HSSP) 4: 2018/19 – 2023/24	➤ Reduce prevalence of stunting from 38% in 2016 to 19% in 2024 ➤ Antenatal Care (ANC) coverage (4 recommended visits) increased from 44% in 2016 to 51% in 2024 ➤ New-borns with at least one postnatal Care (PNC) visit within the first two days of birth increased from 19% in 2016 to 35% in 2024
Health Financing Sustainability Policy-2015	➤ Increased efficiency for improved quality and service delivery (value for money) ➤ Strengthened health insurances and risk pooling systems ➤ Enhanced strategies and interventions for increasing domestic revenue for health, including the community and private sector to monetize available expertise ➤ Strengthened institutional environment for sustainable financing and ensure accountability in the health sector

Endnotes

[i] Ministry of Health, 'Third Health Sector Strategic Plan, July 2012–June 2018', Kigali, Rwanda, available at: <www.moh.gov.rw/fileadmin/templates/Docs/HSSP_III_FINAL_VERSION.pdf>.

[ii] Text of the Law establishing the RBC in 2011 available at <www.moh.gov.rw/fileadmin/templates/HLaws/RBC_law.pdf>.

[iii] https://www.rwandafda.gov.rw/home

[iv] Ministry of Health, 'National Community Health Service Strategic Plan, July 2013–June 2018', Kigali, Rwanda, May 2013, available at: <www.moh.gov.rw/fileadmin/templates/CHD_Docs/CHD-Strategic_plan.pdf>.

[v] CHWs monitor antenatal care, and children younger than 9 months old, malnutrition screening, provision of contraceptives, preventive and behaviour change activities. National Institute of Statistics of Rwanda, et al., 'Rwanda Demographic and Health Survey (DHS), 2014–2015', Kigali, Rwanda, March 2016.

© UNICEF/UN0258674/Rusanganwa

United Nations Children's Fund
Ebenezer House
1370 Umuganda Boulevard
Kacyiru
Kigali

P O Box 381
Kigali

Tel: +250 788 162 700
Email: kigali@unicef.org
Web: www.unicef.org/rwanda

www.facebook.com/unicefrw

twitter.com/unicefrw

www.instagram.com/unicefrwanda