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Rwanda

Education Budget Brief

Investing in child education in Rwanda

2019/2020

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December 2019

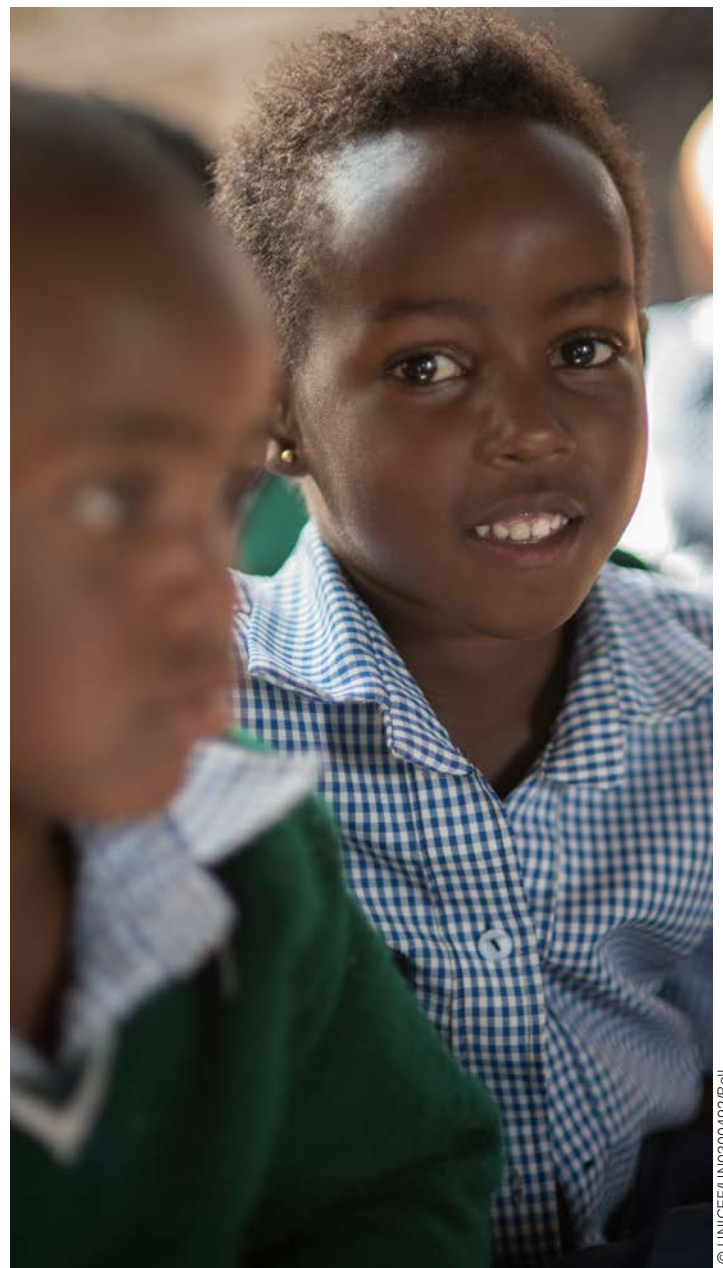
Preface

This education budget brief explores the extent to which the Government of Rwanda addresses the educational needs of children and young people. The brief analyses the size and composition of budget allocations to the education sector for the fiscal year 2019/20, as well as the adequacy of past

spending. The budget brief aims to synthesize complex budget information and offer recommendations to strengthen public investments in children. The financial data used for this analysis was drawn from various budget documents, with a major focus on the 2019/20 national budget.

Key Messages and Recommendations

- **The majority of education sector resources go to pre-primary and primary education representing 43.3 per cent of the total education sector budget, with allocations to secondary education representing 32.5 per cent. However, there is limited information available that separates pre-primary education from primary education.** There is a need for separate budget lines; one for pre-primary and another for primary education levels, to monitor the allocation adequacy for pre-primary education as a foundation to child learning and development.
- **Government budget allocation to pre-primary and primary education level is disproportionate compared to other sectors in terms of allocation per student.** While it still comprises a large share of the education budget, its budget slightly declined to FRW 106.3 billion in 2019/20 from FRW 111.4 billion. There is a need to further prioritize allocation in the pre-primary and primary education sector to ensure a stronger foundation in learning and education development for the early ages and younger students.
- **The allocation of the budget towards improving quality of education has doubled between 2016/17 and 2019/20, increasing from FRW 16.1 billion to FRW 32.9 billion.** However, these inputs are mainly focused on ICT development and hardware as opposed to teacher training or other soft inputs. Significant resources are still needed for teacher training and the professional development of those already in service to improve the quality of learning.
- **The external financing as a share of the education budget increased almost threefold, from 6.1 per cent in 2018/19 to 16.8 per cent in 2019/20.** It is also expected that this rate will continue to rise over the medium term, since the Government of Rwanda has recently signed a credit-financing agreement with the World Bank to support the education sector.



1. Introduction sector overview

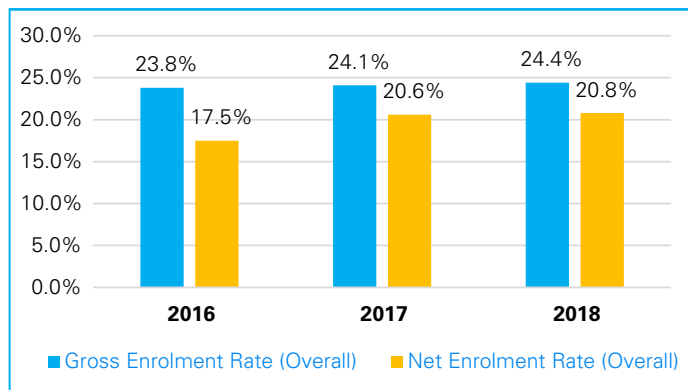
The education sector is coordinated by the Ministry of Education (MINEDUC), whose mission it is to ensure equitable access to quality education through a focus on combating illiteracy, promoting science and technology, and developing critical thinking and positive values.

By implementing education policies, MINEDUC is supported by several agencies including: the Rwanda Education Board (REB) responsible for pre-primary, primary and secondary school programmes; the Workforce Development Authority

(WDA), responsible for Technical and Vocational Education and Training (TVET) and Rwanda Polytechnic Higher Learning Institution (RP); the Higher Council of Education (HEC), responsible for university accreditations and tertiary schools regulation and oversees the functions of higher education financing; and the districts (decentralized entities) responsible for daily management of schools at local level. Rwanda's education sector has seen significant developments across all education levels.

Pre-primary education has seen rapid growth in recent years

Figure 1: GER and NER for Pre-Primary Education



Source: Ministry of education, annual statistical yearbooks, 2016, 2017, 2018

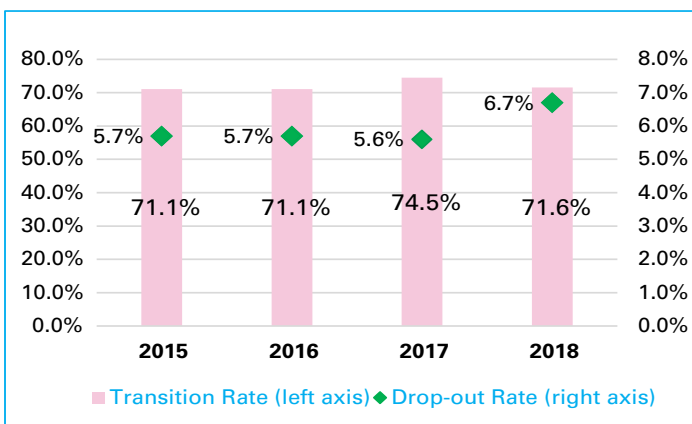
The net enrolment rate (NER) at the pre-primary level increased by 3 per cent between 2016 and 2018, from 17.5 per cent to 20.8 per cent (**Figure 1**). The government target by 2024 is to expand access to pre-primary to reach 41.5 per cent net enrolment.





The primary school to secondary school transition rate¹ remained above 71 per cent for both boys (71 per cent) and girls (72.3 per cent). The school drop-out rate has remained low over the past years.

Figure 2: Dropout and transition rates, primary

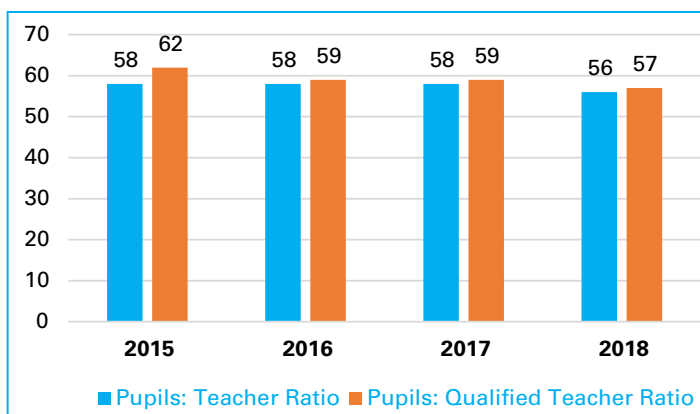


Source: Ministry of education, annual statistical yearbooks, 2016, 2017 and 2018

Over the past four years, the school drop-out rate has remained low (around 5 per cent). However, in 2018 there was a slight increase by one per cent from 5.6 per cent in 2017 to 6.7 per cent (**Figure 2**). The drop-out rate in primary school is slightly higher for boys (7 per cent) than for girls (6.3 per cent). Both drop-out and repetition remain an issue within the Rwandan education system.

The ratio of students/pupils to qualified teachers has continued to marginally improve over the past four years, from 62:1 in 2015 to 57:1 in 2018 (**Figure 3**). To reach the ESSP target of 52:1, there is therefore a strong need for increased investments in the recruitment and training of teachers to further reduce the ratio of pupils to qualified teachers.

Figure 3: Pupil-teacher ratio, primary



Source: Ministry of education, annual statistical yearbooks, 2015, 2016, 2017, 2018

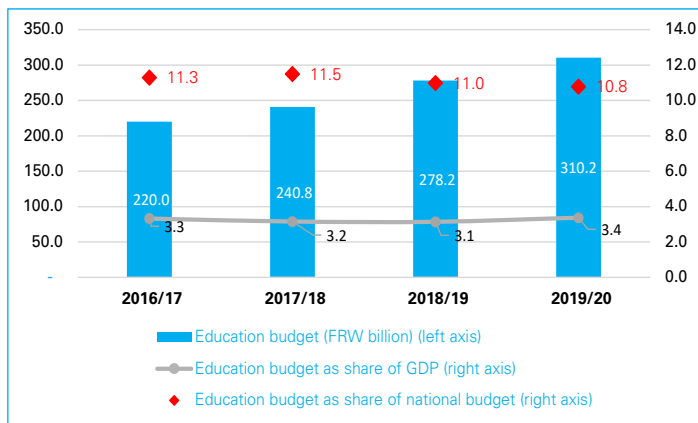


2. Education spending trends

2.1. Size of spending

The budget allocated to the Ministry of Education, its agencies and districts has shown a nominal increase over the past four years. In 2019/20, the Government of Rwanda has allocated FRW 310.2 billion to the education sector, up from FRW 278.2 billion in 2018/19, reflecting an increase of 11.5 per cent in nominal terms or 10.4 per cent in real terms (Figure 4).

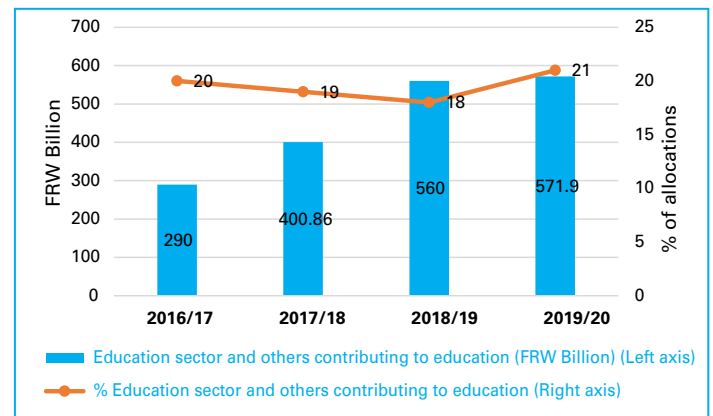
Figure 4: The Education sector budget in nominal FRW billion and as % of total budget and GDP



Source: Calculated using state finance laws and microframework data

A comprehensive analysis of the budget allocations to the education sector includes not only the Ministry of Education and its agencies, but also other budgets allocated to other Ministries (for example, internet provision to schools). Therefore, **budget allocations to the education sector and other sectors contributing to education increase up to FRW 571.9 billion and, as share of the domestic national budget (excluding debt financing & another non-flexible public budget such as peace keeping operations), reached 21 per cent in 2019/20, up from 18 per cent in 2018/19 (Figure 5).**

Figure 5: The Education budget in nominal FRW billion and as % of total budget and GDP



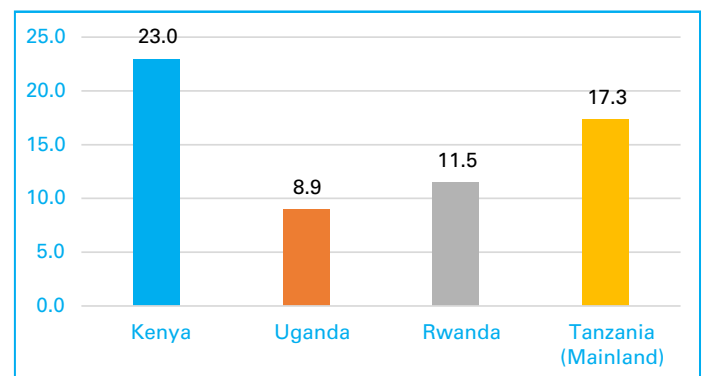
Source: MINECOFIN & MINEDUC Education sector budget analysis 2019

Note: For the purposes of this document, all analysis will be made on the budget allocated directly to MINEDUC and Districts.

2.2. Government spending in the region in selected ESAR countries

Among the selected East African countries with comparable data in 2017/19, Kenya allocated 23 per cent of total national budget to education, followed by Tanzania mainland with 17.3 per cent, Rwanda with 11.5 per cent, while Uganda allocated 8.9 per cent of total national budget to the education sector (Figure 6).

Figure 6: Education budget % of total government expenditure in selected ESAR countries, FY 2017/18



Source: UNICEF Budget briefs

2.3. The education budget against national commitments

The budget allocation to the education sector in 2019/20 is 26.9 per cent less than costed estimates in the Education Sector Strategic Plan (ESSP). The ESSP presents three scenarios for the future developments of the education sector, as well as the estimated costs for each. These are a “*Business as usual*” situation in which the education sector maintains the current

pace of innovations, a pragmatic scenario, envisioning that “most of new initiatives shall be implemented by 50 per cent”, and finally, an ambitious scenario, in which all new initiatives are fully implemented. **Table 1** provides the various ESSP cost scenarios and respective funding gaps.

Table 1: Education Budget Allocations against ESSP Cost Estimates

Scenario	2019/2020		
	ESSP Costs (RWF)	Allocated budget (RWF)	Funding Gap
Business as Usual	424,410,773,568	310,200,000,000	114,210,773,568 (26.9 %)
Pragmatic Implementation	434,950,500,243		124,750,500,243 (28.7%)
Ambitious Approach	476,080,177,449		165,880,177,449 (34.8%)

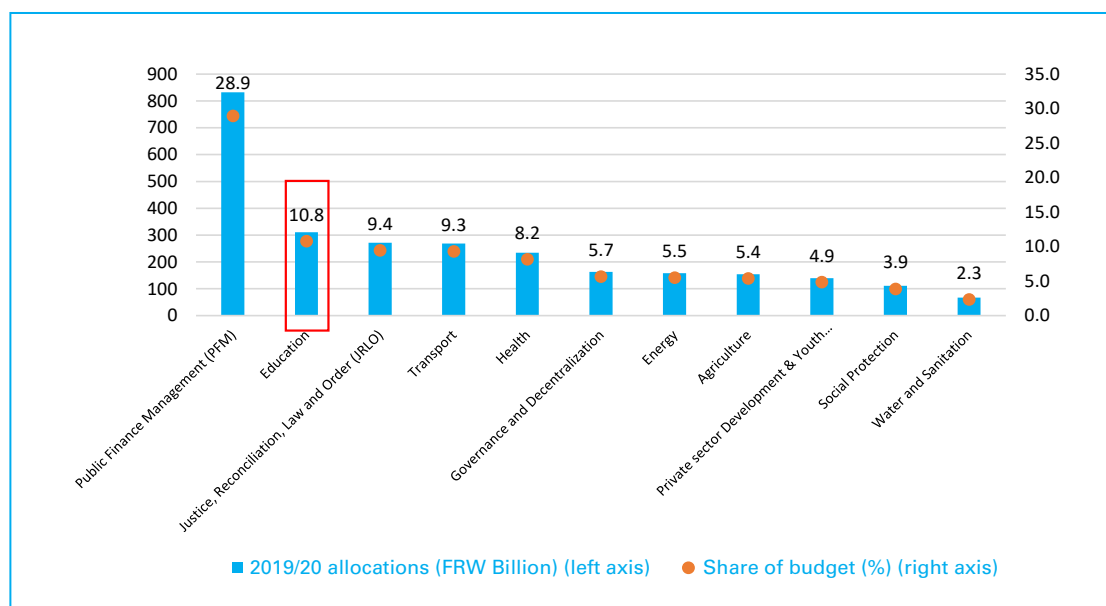
Source: MINEDUC-ESSP 2018/19 – 2023/24 and State finances law 2019/20

2.4. The education sector budget allocation among other NST1 sectors

In comparison with other NST1 sectors, the education sector allocation ranks second with 10.8 per cent, after public finance management (28.9 percent), the latter covering the allocations

for executive offices, legislative organs, financial and fiscal affairs, and external affairs (**Figure 7**).

Figure 7: Budget Allocations to various sectors in FRW billion and as a % of Domestic Budget and GDP



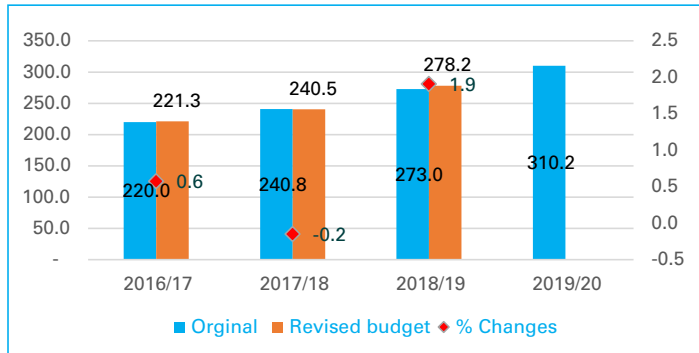
Source: Calculated using state finance laws

3. Education budget changes

3.1. Initial and revised education sector budget trends

Over the past four years, a comparison of the original approved and revised budgets indicates that the allocations for the education sector were slightly revised upward by about one per cent as indicated in **Figure 8**.

Figure 8: Trends budget revision (FRW billion and % change)

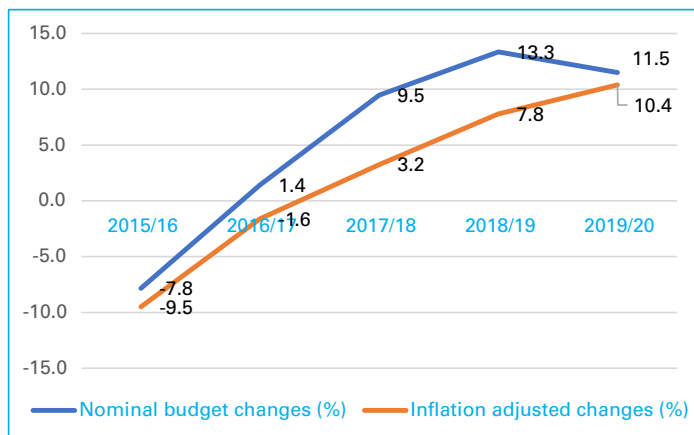


Source: Calculated using state finance laws

3.2. Nominal vs. real changes (inflation adjusted) in the education sector budget

Inflation has not significantly affected the education budget allocations over the past two years.

Figure 9: Nominal and inflation adjusted changes in the education budget



Source: Calculated using state finance laws



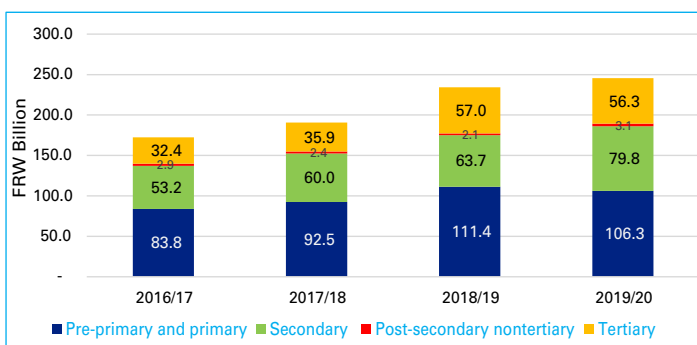
Over the past two years, Rwanda has been able to maintain a low level of inflation below the government target (5 per cent). Therefore, the gap between nominal and real budget changes has continued to narrow. In 2018/19, the nominal budget change was 13.3 per cent against 7.8 per cent of the real budget changes while in 2019/20, the nominal education budget change was 11.5 against 10.4 per cent of the real budget changes (adjusted with inflation) (**Figure 9**).

4. Composition of education sector spending

4.1. Budget trends by education levels

More than half of the education sector budget is allocated to primary and secondary education, as it is in line with universal access to education.

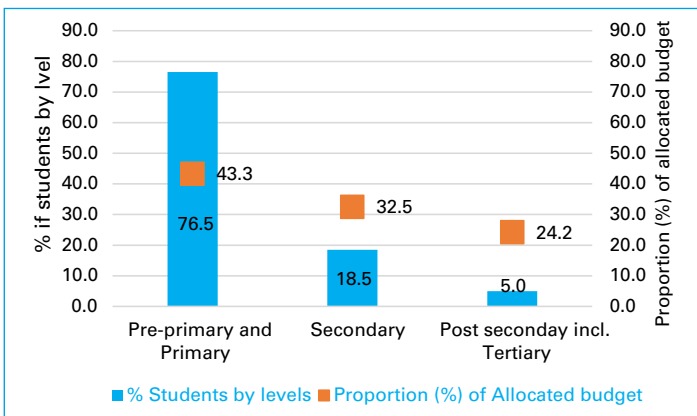
Figure 10: Budget allocation by education levels (FRW Billion)



Source: Calculated using state finance laws

The combined pre-primary and primary education levels budget allocation takes a large share of the education budget. However, its budget slightly declined to FRW 106.3 billion in 2019/20 down from FRW 111.4 billion in 2018/19, while the secondary education budget allocation increased from FRW 63.7 billion to FRW 79.8 billion in 2019/20. The allocation to tertiary and post-secondary non-tertiary education programmes remained relatively equal over the past four years (Figure 10).

Figure 11: % Share of budget allocations against % of students by levels



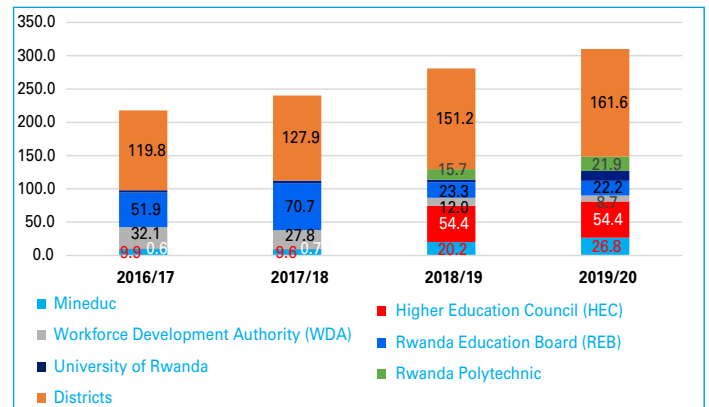
Source: Calculated using state finance laws & Annual statistical year book 2018

The analysis of budget allocations for the students in each education category shows that 76.5 per cent of the student population were enrolled in pre-primary and primary (combined) and were allocated 43.3 per cent of the education sector budget. The secondary education level accounted for 18.5 per cent of the total student population, and was allocated 32.5 per cent, while the tertiary education accounted for 5 per cent to students and was allocated 24.2 per cent (Figure 11). This suggests that the budget increase in the education sector should focus more on pre-primary, primary and secondary to ensure universal access to 12 years of basic education in Rwanda.

4.2. Education spending by big education sector institutions

A significant portion of education sector resources are transferred to districts (decentralized entities). In 2019/20, FRW 161.6 billion or 52 per cent of the total education sector budget was allocated to Districts. The Higher Education Council (HEC) takes second place with FRW 54.4 billion and remains constant when compared to 2018/19. The budget for HEC mainly supports the financing of tertiary education through education loans and scholarships. The budget allocated to MINEDUC has significantly increased over the past two years from FRW 9.6 billion in 2017/18 to FRW 20.2 billion in 2018/19 and FRW 26.8 billion in 2019/20 (Figure 12).

Figure 12: Budget allocations, by spending agency (FRW billion)

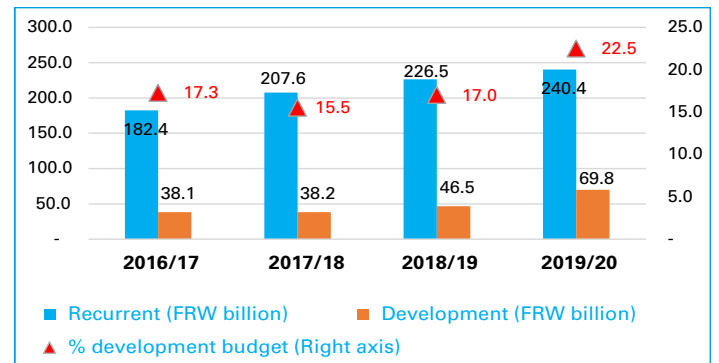


Source: Calculated using state finance Laws

4.3. The education sector budget by recurrent and capital expenditure categories

The education budget is mainly dedicated to cover recurrent expenses, such as salaries and wages for teaching staff. However, over the past few years, the development budget as a share of the education sector budget has increased from 15.5 per cent in 2017/18 to 22.5 per cent in 2019/20. Furthermore, the recurrent budget for education has also increased from FRW 226.5 billion to FRW 240.4 billion (Figure 13). The increase in the recurrent budget under education is partly explained by the government's decision to increase teachers' salary by 10 per cent, implemented from March 2019.

Figure 13: Education recurrent vs. development budget

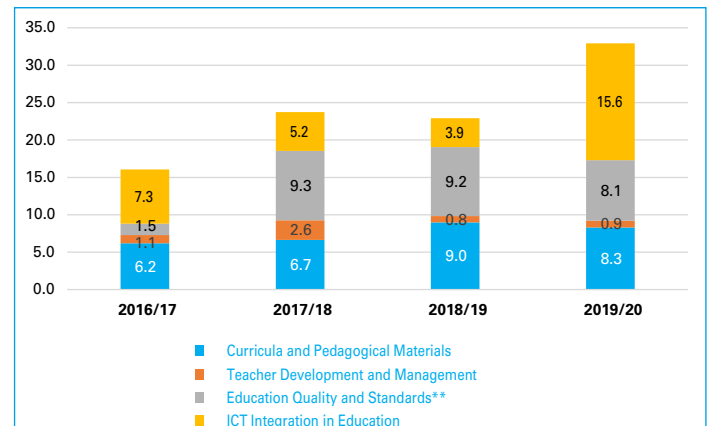


Source: Calculated using state finance laws

4.4. Budget allocations for education quality enhancement programmes

The Government of Rwanda is pushing for an increased quality of education. For the purpose of this analysis, the following programmes were selected as drivers of quality of education enhancing: (i) education quality and standards, (ii) curricula and pedagogical material development, and (iii) ICT integration in education. In 2019/20, the government has allocated FRW 32.9 billion towards these programmes, up from FRW 22.9 billion in 2018/19. The ICT promotion in education is the main driver of the increase as it was allocated FRW 15.6 billion in 2019/20 up from FRW 3.9 billion in 2018/19, with a slightly reduced budget allocated to education quality standard and teacher development (Figure 14).

Figure 14: Education budget allocation to programmes for quality education in FRW billions

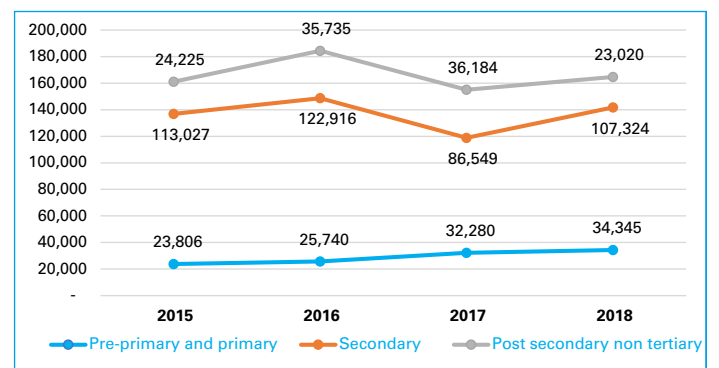


Source: Calculated using state finance Laws

4.5. Per capita spending

Per capita spending by education levels shows that combined pre-primary and primary spending increased from FRW 32,280 to FRW 34,345 from 2017 to 2018, reflecting an increase of 6 per cent. In 2018, per capita spending in secondary level has increased by 24 per cent when compared to 2017. However, the allocation to post-secondary non-tertiary (mainly including allocations for TVET) experienced a decrease from FRW 36,184 to 23,020 in 2019/20 (-36.6 per) as shown in Figure 15.

Figure 15: Per capita allocation, by level of education FRW



Source: Calculated using state finance laws and NISR- Population projections 2018

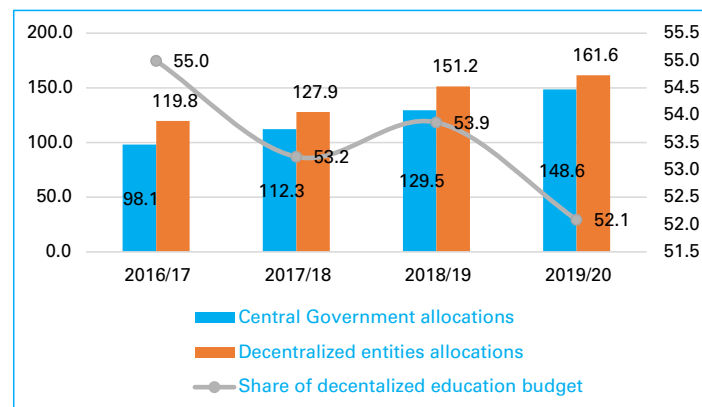
5. Decentralization and education spending

Education is the most decentralized sector in Rwanda.

Formal administrative coordination mechanisms have been established for each district and almost half of the education budget is implemented through the decentralized entities. However, over the past four years, the share of the education budget allocated to District Councils went from 55 per cent in 2016/17 to 52 per cent in 2019/20 (Figure 16). This could be partly attributed to the Ministry of Education reforms designed to centralize school constructions, formerly implemented by the districts.

Most resources transferred to District Councils are for teachers' salaries and other incentives, including exam costs, capitation grants and non-formal education. The government has set up criteria to allocate the education budget at the district level by ensuring geographical equity. The allocation formula is output-based. Some of the parameters considered include

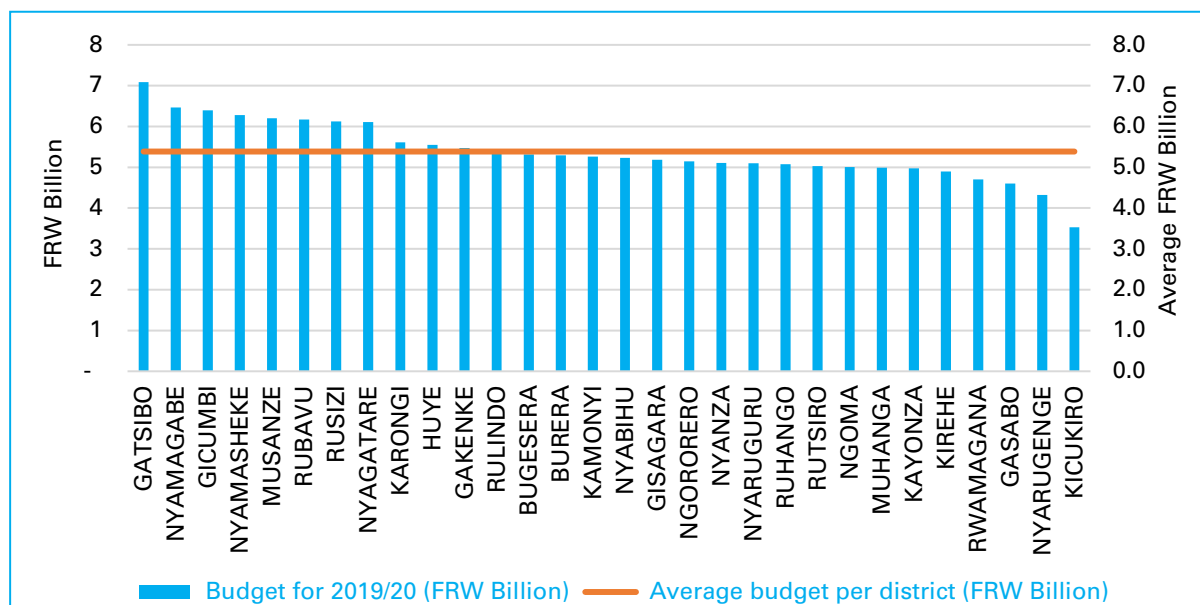
Figure 16: Education central vs. decentralised budget allocations



Source: Calculated using state finance laws

the number of students, number of teachers in the district, number of examination centers, and number of students in boarding schools. The decentralized budget for education is quite evenly distributed, averaging FRW 5.4 billion per district. Figure 17 shows the distribution of the budget for education across different districts.

Figure 17: Education budget allocations by district

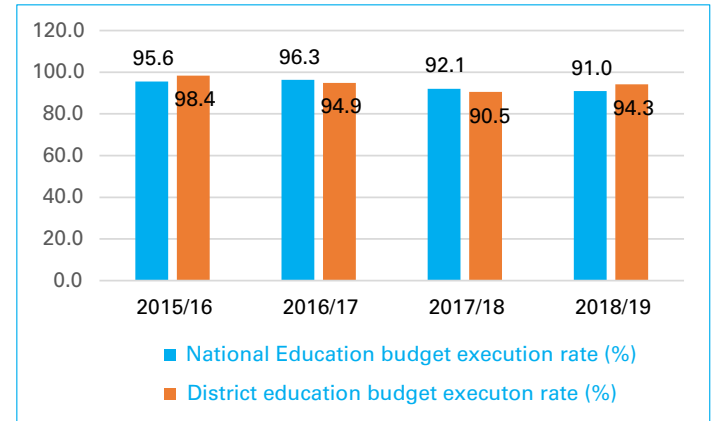


Source: Calculated using state finance laws

6. Budget execution in the education sector

The budget execution rate under the education sector remains among the highest in social sectors. For 2018/19, the budget execution rate stood at 94.3 per cent at district level, while at the central (national) level the execution rate was at 91 per cent (Figure 18).

Figure 18: Education budget execution rates

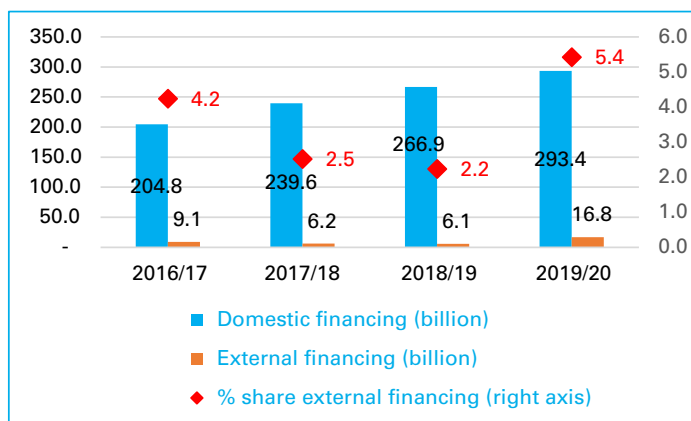


Source: MINECOFIN- Budget execution reports

7. Financing of the education sector

Domestic and external funds recorded in the national budget cover 73 per cent of the required ESSP costs for 2019/20. The gap is partly covered by other players in the education sector. However, education financing by non-government actors is not covered under this budget brief.

Figure 19: Financing of the education sector budget in FRW billion



Source: Calculated using state finance laws

The education sector is mainly domestically financed. Over the past four years, the share of external financing has remained below 10 per cent. However, external financing to education sector increased to 16.8 per cent in 2019/20, up

from 6.1 per cent in 2018/19 (Figure 19). The recent increase in external financing is attributed to external loans and grants for higher education, mainly directed at financing infrastructure and different centers of excellence. Furthermore, the external financing component of the education sector budget is expected to continue rising as the Government of Rwanda has recently signed a new credit financing agreement with the World Bank to support the education sector. Other major donors for the education sector include the UK department for International Development (DFID), USAID, Global Partnership for Education (GPE), Korea International Cooperation Agency (KOICA) and UNICEF.

The Government of Rwanda is also devising home grown initiatives to support the financing of the education sector. Some of the proposals include mobilizing community contributions (used mainly in the construction of the schools). This strategy has been used mainly by faith-based organizations who manage several primary and secondary schools in Rwanda. However, there is a need to explore the possibility of tracking the non-government domestic financing allocated to education, which further contributes to reducing the funding gap as indicated in the Education Sector Strategic Plan 2018-2024.

ANNEXES

Annex 1: Strategic documents and targets

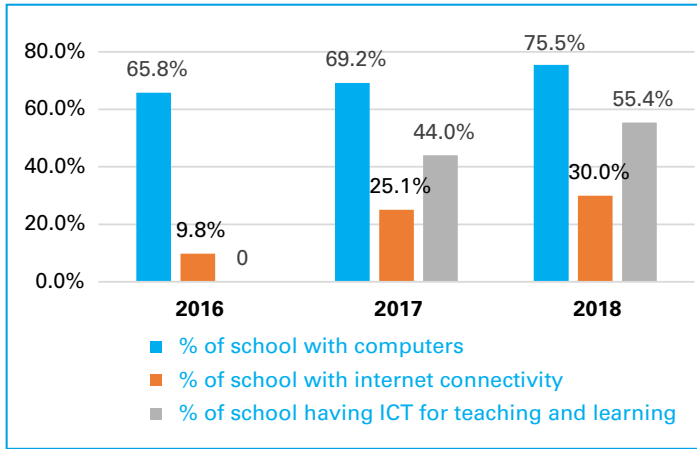
Strategic documents	Key performance indicators and targets
National Strategy for Transformation (2017-2024)	<ol style="list-style-type: none"> Increase access to pre-primary education: net enrolment rates will reach 45% by 2024 from 17.5% in 2016; Improve quality of education at all levels; <ul style="list-style-type: none"> Schools connected to the internet will increase to 100% by 2024 from 10% in 2016/17; The primary and secondary schools with access to electricity will increase from 32% and 46% in 2016 to 100% in 2024; Strengthen mechanisms to promote completion rates especially in primary and secondary education. <ul style="list-style-type: none"> Transition rate from primary to lower secondary will increase from 71.1% in 2015 to 92.4% by 2024; Ensure that people with disabilities can start school and progress through all levels of education. Strengthen Science, Technology, Engineering and Mathematics across all levels of education <ul style="list-style-type: none"> Achieve 80% of students enrolled in STEM in HLIs and TVETs by 2024 from 44% in 2016. Ensure digital literacy for all youth (16 to 30 years) by 2024 through achieving a digital literacy rate of at least 60% by 2024.
Education sector strategic plan 2018/19- 2023/24	<ol style="list-style-type: none"> All learners achieve basic levels of literacy and numeracy in early grades and beyond; All learners enter primary school at the correct age and successfully complete 12 years of basic education; All children complete school readiness programmes; Ensure gender parity in participation and achievement at all levels of education; Increased participation and achievement of children and young people with disabilities at all levels of education; TVET and HEI programmes are responsive to both labour market needs and Rwanda's social and economic development; Qualified pupil- teacher ratio in pre-primary, primary and secondary schools shall increase from 1:32; 1:62 and 1:28 in 2015 to 1:32, 1:52 and 1:34 respectively by 2024.

Annex 2: Learning outcomes results, students reaching the minimum proficiency

Grade	Test	Boys (%)	Girls (%)	Different (%) (B-G)
P6 (11-12 Years old)	Literacy	59.8	53.2	6.6
	Numeracy	63.7	54.5	9.2
S3 (15-16 Year-old)	Literacy	77.6	65.3	12.3
	Numeracy	81.8	75.9	5.9

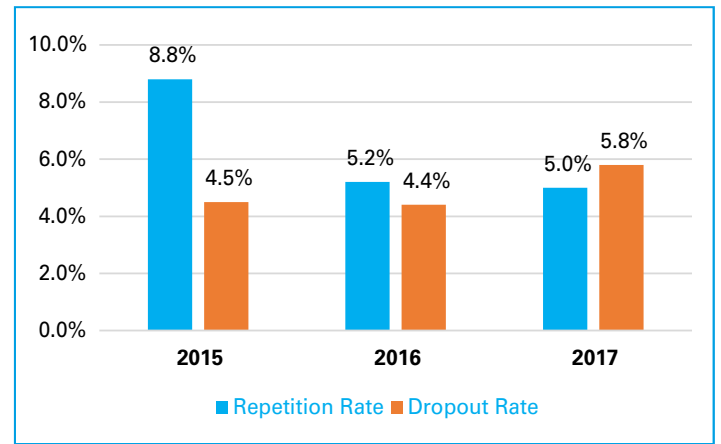
Source: MINEDUC, Learning Achievement in Rwandan Schools, 2018

Annex 3: ICT in primary education



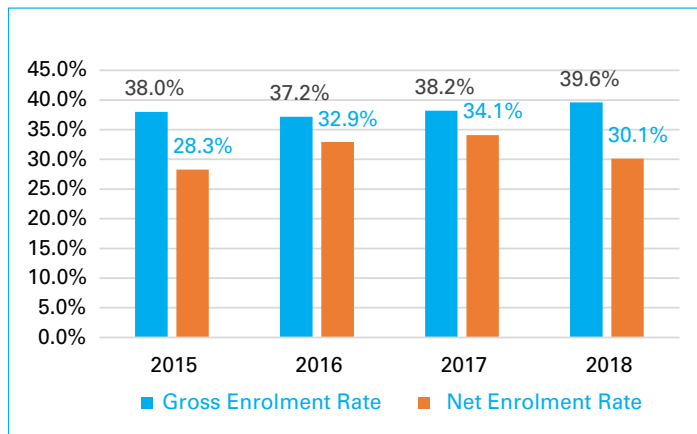
Source: Ministry of Education, Annual Statistical Yearbooks, 2016, 2017, 2018

Annex 5: Repetition and dropout rates, secondary



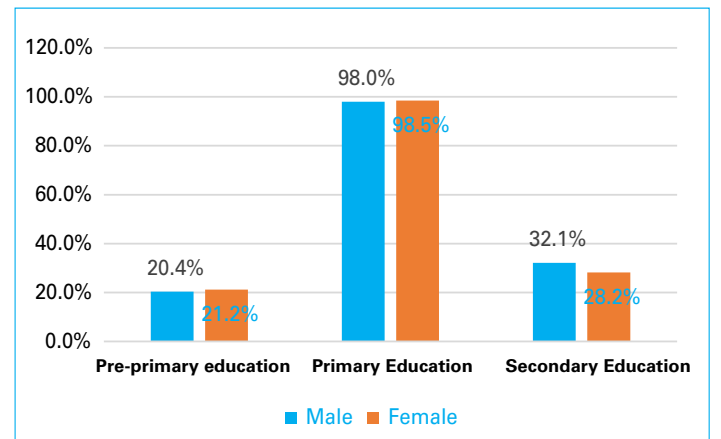
Source: Ministry of Education, Annual Statistical Yearbooks 2016, 2017, 2018

Annex 4: Gross and net secondary school enrolment rates



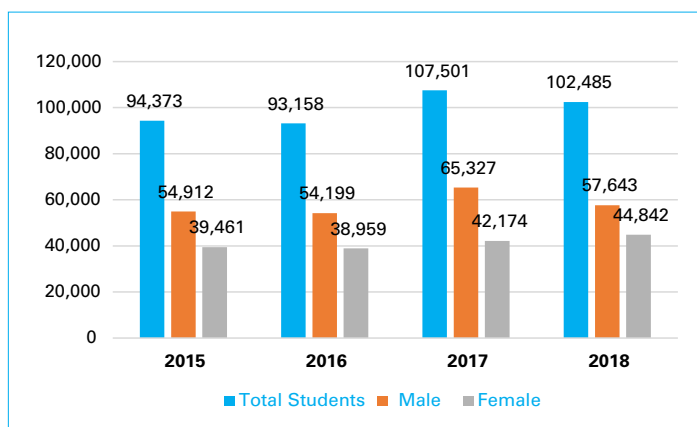
Source: Ministry of Education, Annual Statistical Yearbooks, 2016, 2017, 2018

Annex 6: Net enrolment rates: 2018



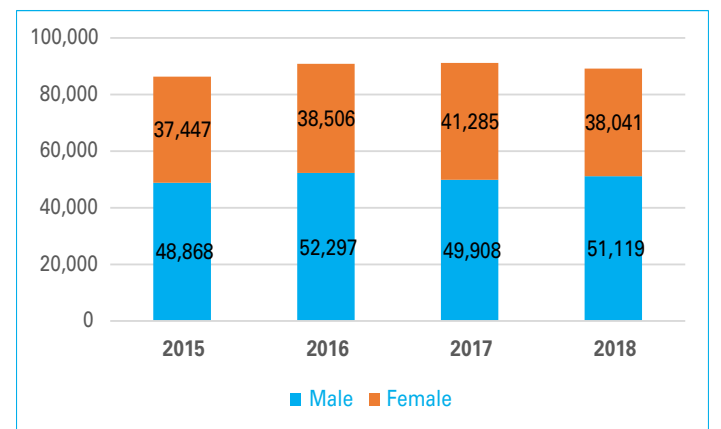
Source: Education Statistical yearbook 2018

Annex 7: Number of TVET training centres



Source: Education Statistical yearbook 2018

Annex 8 : Tertiary education



Source: Education Statistical yearbook 2018



Endnotes

ⁱ The net enrolment rate (NER) in primary education is the ratio of the number of children of official primary school age who are enrolled in primary education to the total population of children of official primary school age, expressed as a percentage.

ⁱⁱ The percentage of students admitted to the first grade of a higher level of education in a given year, when compared to the number of students enrolled in the final grade of the lower level of education in the previous year.

ⁱⁱⁱ Capitation grants are funds allocated by the Ministry of Education to schools under the basic education programme to ensure that all Rwandan children are given an opportunity to attend school.

^{iv} http://www.minecofin.gov.rw/index.php?id=12&tx_ttnews%5Btt_news%5D=733&cHash=b3ea2f11caa9e47126bdb5fdc4a0f641

^v Ministry of Finance and Economic Planning, 'Seven Years Government Programme (7YGP)', Kigali, Rwanda, 2010, available at: <www.rwandapedia.rw/cmisis/views/workspace%253A%252F%252FSpacesStore%252F1adfd4d9-01e0-4834-8d8a-9b1edb581294>.

^{vi} Ministry of Finance and Economic Planning, 'Education Sector Strategic Plan 2013/14–2017/18', Kigali, Rwanda, 2013, available at: <www.minecofin.gov.rw/index.php?id=163>.

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