Education Budget Brief
Investing in Child Education in Rwanda
2021/2022
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 2021/22, as well as the adequacy of past spending. It aims to synthesize complex budget information and offer recommendations to strengthen public investments in children. Financial data used in this analysis are drawn from the Law determining the state finances for the 2021/2022 fiscal year and the revised state finance laws for the previous years. The analysis covers only the allocations to the Ministry of Education, affiliated agencies and Districts, while also investigating the indirect contribution of other sectors to education in Rwanda.

Key Messages and Recommendations

The Government of Rwanda allocated FRW 442.6 billion to the Education sector in 2021/22, down from FRW 486.1 billion in the 2020/21 revised budget, translating to a budget decrease of 9.4 per cent in nominal terms. However, analysis of budget allocations for the sector over the past four years shows a positive trend, indicating the government’s commitment to strengthen Rwanda’s human capital through education. **COVID-19 has had a negative effect on household welfare, and in particular children. There is therefore a need to strengthen support mechanisms for vulnerable households facing financial barriers to afford the out-of-pocket expenditure for education, including scholastic materials, uniforms and other education-related costs for secondary school students, to ensure that every Rwandan child is able to complete basic education.**

To achieve NST1 targets and SDGs for education, the Government of Rwanda has committed more resources to improve the quality of education through different initiatives and innovations. One significant area within education quality improvement is the development of teachers, including through capacity building, and the budget for this programme area has increased from FRW 1.7 billion to FRW 3.6 billion. **However, due to the large number and skills diversity of teachers across different levels of education, there is a need for a medium-term teachers’ capacity building strategy including a financing framework. This, in turn, should guide annual plans for teachers’ development, at both local and central government levels.**

A significant share of education sector resources is allocated to decentralized entities. In 2021/22, the budget for education at local government level amounts to FRW 262.7 billion, representing 59.3 per cent of the total education sector budget. **Increased allocation at decentralized levels increased the demand for strong investment in the capacity of decentralized education authorities in efficient public resource management.**
Section 1: Introduction

1.1. Education Sector Overview

The COVID-19 pandemic resulted in unusual disruptions for Rwandan children, with almost a full academic year (March – November 2020) spent at home and many children following lessons over the radio or through digital tools, as part of national COVID-19 prevention measures.

The Government of Rwanda (GoR) estimated that 2,512,465 primary school children and 732,104 secondary school children and adolescents missed out on appropriate learning opportunities in education institutions (MINEDUC, 2020). The World Bank estimates of February 2021 show the negative impact of school closures on projected years of learning which, in turn, will have a subsequent knock-on effect on the future productivity of affected students.

The Ministry of Education (MINEDUC) coordinates education policies and programmes, and is supported by affiliated agencies such as; (i) the Rwanda Basic Education Board (REB) responsible for pre-primary, primary and secondary school programs; (ii) the National Examination and School Inspection Authority (NESA) and Rwanda TVET Board (RTB); (iii) the University of Rwanda (UR), Rwanda Polytechnic (RP), and Rwanda National Commission for UNESCO (CNRU); (iv) the Higher Education Council (HEC) responsible for university accreditations and tertiary schools’ regulation and higher education financing; and (v) the decentralized entities, mainly Districts, responsible for daily management of schools at local level. Over recent years, Rwanda's education sector has seen significant developments across all education levels and the Law determining the organisation of education in Rwanda was promulgated in the Official Gazette n° Special of 18/02/2021.

Access to pre-primary education has been growing in recent years, with the Net Enrolment Rate (NER) increasing from 17.5 per cent in 2016 to 24.6 per cent in 2019. The gross enrolment rate (GNR) at pre-primary level has also increased from 23.8 per cent to 29.8 per cent during the same period (Figure 1). The recently implemented large-scale school construction programme included pre-primary school classrooms and the GoR has also recently increased the number of pre-primary school teachers on the public payroll. For the country to achieve NTS1 targets of expanding access to pre-primary to 41.5 per cent net enrolment, there is a need to increase these investments further, with a focus on ensuring the most marginalized children can access pre-primary education.

The ratio of pupils to qualified teachers has continued to marginally improve over the past four years from 62.1 in 2015 to 57.1 in 2018. However, in 2019, these indicators slightly deteriorated with an increase in these ratios (Figure 2). Reaching the Education Sector Strategic Plan target of 52.1 requires increased investments in the recruitment, retention, and training of more teachers. While the latest statistics on the number of pupils to teacher ratio are not available, the Government of Rwanda has recruited 28,208 teachers for both secondary and primary schools as part of the 2020 school reopening plan, which is set to improve the teacher to student ratio.

Figure 1: GER and NER for Pre-Primary Education

Source: Ministry of Education, annual statistical yearbooks

Figure 2: Pupil-teacher ratio, primary

Source: Ministry of Education, Annual statistical yearbooks
Section 2: Size of Spending Under the Education Sector

Despite the decrease in education budget allocations from 2020/21 to 2021/22, there is an overall positive trend in allocations to the education sector over the past five years. The GoR has allocated FRW 442.6 billion in 2021/22, down from FRW 486.1 billion in the 2020/21 revised budget. This translates into a budget decrease of 9.4 per cent year-on-year. The education budget as a share of the national budget also declined from 14.0 per cent in 2020/21 to 11.6 per cent in 2021/22. Furthermore, as a share of the Gross Domestic Product (GDP), the budget for education reduced from 4.9 per cent to 4.2 per cent (Figure 3). It is worth noting that the fiscal year 2020/21 was an exception for the education sector budget as the government, in collaboration with the World Bank, greatly invested in schools’ infrastructure development by constructing more than 20,000 new classrooms and sanitation facilities. This investment aimed to phase out double shifting in primary schools, reduce distances to school for learners, and pave the way to a safe re-opening of schools in the COVID-19 context. As Rwanda embarks on its economic recovery from the pandemic, there is a strong need for greater investments in Education to ensure inclusive recovery and achieve the related NST1 targets and SDGs.

The education budget further increases when considering the budget for other sectors contributing to education, including Social Protection, Health, Public Finance Management, Water and Electricity. In 2021/22, the Government of Rwanda has allocated FRW 42.4 billion to different public institutions contributing indirectly to education. Therefore, a combination of the direct and indirect budget for education increases the budget share within the total national budget to 12.7 per cent. The next sections of this brief will only cover the budget allocated to MINEDUC, affiliated agencies, and the Districts for Education programmes.
2.1. The Education Budget Against National Commitments

The Education Sector Strategic Plan (ESSP) 2018-2024 is relatively well financed. The ESSP presents three costed scenarios for developments in the education sector between 2018-2024. These are: (i) a 'Business as usual' situation in which the education sector maintains the current pace of innovations; (ii) a ‘pragmatic scenario’ envisioning that “most of new initiatives shall be implemented by 50 per cent”; and (iii) an ‘ambitious scenario’ in which all new initiatives are fully implemented. Table 1 provides the various ESSP cost scenarios and respective funding gaps when compared to the 2021/22 allocated budget. When considering the ambitious scenario, the financing gap in 2021/22 is 26.2 per cent. When considering the pragmatic scenario, the sector financing gap reduces to 19.2 per cent. When following the business-as-usual scenario, the ESSP recorded a gap of 17.2 per cent. Based on the planned budget and allocated figures the current allocation is below scenario three, which may call for further prioritization within the ESSP.

Table 1: Education Budget Allocations against ESSP Cost Estimates

<table>
<thead>
<tr>
<th>Financing Scenarios</th>
<th>2021/22 Costed plans</th>
<th>Allocated Budget</th>
<th>Funding gap by ESSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenario 1: ESSP implemented fully implemented</td>
<td>600,062,627,343</td>
<td>440,533,425,485</td>
<td>157,357,990,424 (26.2%)</td>
</tr>
<tr>
<td>Scenario 2: Most new initiatives implemented by half</td>
<td>548,404,999,915</td>
<td>105,700,362,996</td>
<td>92,005,793,521 (17.2%)</td>
</tr>
<tr>
<td>Scenario 3: Business-as-usual</td>
<td>534,710,430,440</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


2.2. The Education Sector Budget Allocation among Other NST1 Sectors

Comprising 11.6 per cent of the total national budget, the Education sector budget allocation continues to take second position among the most prioritized NST1 sectors in Rwanda, after Public Finance Management (PFM) which accounts for 39.9 per cent of the national budget. The latter covers the allocations for executive offices, legislative organs, financial and fiscal affairs, external affairs, and net lending (Figure 4).

Figure 4: Budget Allocations by NST1 sectors in FRW billion and as a % of Domestic Budget and GDP

Source: Calculated using Rwandan Budget Laws
Section 3: Education Budget Changes

3.1. Initial and Revised Education Sector Budget Trends

The Education sector budget has been revised upwards for the past years which indicates a robust planning capacity and prioritization of the education budget during the budget revision. In 2020/21, the budget was revised slightly downward from FRW 492.0 billion initial budget to FRW 486.1 billion, reflecting a reduction of 1.2 per cent. (Figure 5).

3.2. Nominal vs. Real Changes (Inflation adjusted) in the Education Sector Budget

Due to relatively high inflation (7.7 per cent) recorded in Rwanda in 2020, the impact of the education budget reduction is more visible when compared both real and nominal budget changes.

While the year-on-year budget reduction was nominally 9.4 per cent, the magnitude of the reduction worsens in real terms as it stood at 16.6 per cent in 2021/22 (Figure 6). Before COVID-19, Rwanda was able to maintain a low level of inflation below the government target (5 per cent), translating to the minimal difference between nominal and real budget. To strengthen the sector budget and maximize its impact, inflation levels need to be considered when deciding on annual sectoral budget allocations, to avoid budget increases being limitation by inflation.
Section 4: Composition of Education Spending

4.1. Budget Trends by Education Levels

Analysis of budget allocations by education levels as a share of the total education sector budget shows that the Government of Rwanda has kept distribution to each level relatively constant. However, for 2021/22, the budget shares for pre-primary and primary, and also secondary education increased from 44.4 per cent and 31.3 per cent to 47.7 per cent and 34.6 per cent respectively, while the share of the budget for tertiary education reduced from 22.6 per cent in 2020/21 to 17.7 per cent in 2021/22 (Figure 7). This trend demonstrates the increased commitment by the Government of Rwanda to strengthen access to the 12 year-basic education programme.

Furthermore, comparing the 2019 student population and education budget distribution by education levels shows that whilst students enrolled in pre-primary and primary (combined) accounted for 75.2 per cent of the student population, these levels were allocated 44.7 per cent of the education sector budget. Whilst the secondary education level accounted for 22.5 per cent of the student population, it was allocated 34.6 per cent of the education budget. The post-secondary level including tertiary education is represented by 2.3 per cent of the total student population yet was allocated 17.7 per cent of the education budget (Figure 8).

There is a need to re-prioritize the allocation strategy to strengthen equitable education by level and ensure a gradual increase in the tertiary student population to strengthen the quality of Rwanda’s human capital.

Per student (capita) spending in education levels

The per capita spending by levels of basic education continues to show an increasing trend over the past four years. In 2021/22, the per capita budget for pre-primary and primary education levels increased from FRW 40,283 in 2019 to FRW 59,944 in 2020, and that of the secondary level increased from FRW 94,834 in 2019 to FRW 144,967 in 2020. As earlier indicated, the budget increase in 2020/21 was due to the acceleration of infrastructure projects and teachers’ recruitment (Figure 9). To ensure that the lower education's levels budget is more equity-focused, there is a need to separate the pre-primary and primary budgets to allow for more precise analysis and planning and, in turn, advance progress towards objectives around increasing enrolment in pre-primary education.
4.2. Education Budget Allocation by Spending Institutions

A significant portion of education sector resources are transferred to Districts (decentralized entities). In 2021/22, FRW 262.7 billion (representing 59.3 per cent of the total education sector budget) was allocated to Districts for education programmes and operations. This emphasizes the role of decentralized entities in the promotion of access and quality education in Rwanda. MINEDUC was allocated FRW 63.8 billion, the High Council of Education (HEC) FRW 47.0 billion, and the Rwanda Education Board (REB) RWF 20.8 billion (Figure 10).

Figure 10: Budget allocations, by spending agency

4.3. The Education Sector Budget by Recurrent and Capital Expenditure Categories

The budget for education is mainly characterized by recurrent spending to cover salaries and other fixed expenditure needed to run schools, including daily feeding. The budget figures for 2021/22 show that the recurrent budget increased to FRW 332.5 billion, up from FRW 250.5 billion in 2020/21. The recurrent budget increase is attributed to the increase in wages and salaries of newly recruited teachers. The allocated budget for development activities declined from FRW 236.6 billion in 2020/21 to FRW 110.1 billion in 2021/22 (Figure 11). The reduction in the development budget is largely explained by the completion of schools’ construction in 2020/21. However, in comparison with 2019/20 budget data, the development budget continues to show an upward trend, indicating stronger government efforts to further expand and develop the Education sector to respond to NST1 targets and Vision 2050 aspirations.

Figure 11: Education recurrent vs. development budget categories

4.4. Budget Allocations for Education Quality Enhancement Programmes

The Government of Rwanda continues to invest more in improving the quality of education through different initiatives and innovations. However, the allocated budget in 2021/22 reduced when compared to 2020/21 allocations. The Quality-Enhancement Programme in these brief covers; (i) Education quality and standards including infrastructure, (ii) curricula and pedagogical material development, (iii) ICT integration in education, (iv) Teachers’ development and management, and (v) Examination and accreditation. In 2021/22, the GoR has allocated FRW 85 billion to education quality development, down from FRW 135 billion in 2020/21. The majority of budget reductions were recorded under the quality education and standards programme,
which had its budget reduced from FRW 112.0 billion in 2020/21 to FRW 49.9 billion in 2021/22. However, the budget allocated to support the development of teachers increased from FRW 1.7 billion in 2020/21 to FRW 3.8 billion in 2021/22 (Figure 12). There is a need to strengthen the prioritization of quality enhancement programmes during budgeting to ensure that the education sector at pre-primary, primary and secondary levels has adequate capacity to provide quality education. Furthermore, due to the larger number and skills diversity of teachers across different levels of education, there is a need for a medium-term teachers’ capacity building plan including financing arrangements which in turn should guide the annual plans for teachers’ development both at local and central government levels.

Section 5: Decentralization and Education Spending

Education is the most decentralized sector in Rwanda. Formal administrative coordination mechanisms have been established for each district, and education service delivery at decentralized levels is monitored by MINEDUC in collaboration with the Ministry of Local Government (MINALOC). In 2021/22, the share of the education budget allocated to decentralized entities increased to 59.3 per cent, up from 50.0 per cent in 2020/21 (Figure 13). The nominal increase of the education budget at district level is attributed to teachers’ salary increases, an increased number of teachers across primary and secondary levels, as well as the scale-up of the school feeding programme.

To ensure geographical equity in education budget allocations at district level, the GoR uses an output-based formula driven primarily by the student population number, as well as the number of teachers and schools. There is therefore a well-shaped distribution of the education budget by District (Figure 14). However, a mechanism is needed to monitor equitable spending of the education budget by targeting children from low income and other vulnerable households.
The analysis of budget distribution by decentralized entities (Districts) shows that in 2021/22 the budget for pre-primary and primary increased to FRW 148.3 billion, up from FRW 119.2 billion in 2020/21. Tertiary and non-formal education programmes also recorded an increase of 63.2 per cent, up from the FRW 15.1 billion allocated in 2020/21 to FRW 24.7 billion. However, the allocations for secondary education have reduced to FRW 93.2 billion, down from FRW 111.7 billion in 2020/21, reflecting a decrease of 16.6 per cent (Figure 15).

Section 6: Education Sector Budget Execution

Using available data on budget execution under the education sector, 97.6 per cent of the allocated budget was executed in 2020/21. The analysis of budget execution by education levels shows that the highest budget execution rate was observed under secondary education with 100.3 per cent, tertiary education recorded 97.3 per cent, while the budget for pre-primary and primary education level was executed at 96.4 per cent (Figure 16).
Section 7: Financing of the Education Sector

The education sector is mainly funded from domestic resources (including budget support) which strengthen the sustainability of sector financing in both the medium and long term. In 2021/22, the domestic resources allocated to education amount to FRW 404.1 billion, while external resources amount to 38.5 billion, representing 8.5 per cent of total education budget (Figure 17). The share of external resources has reduced in 2021/22 compared to 2020/21 and 2019/20. This reduction can be explained by the large share of government borrowing and grants received in previous years under the Human Capital Development Project, mainly funded by the World Bank.

Key development partners and donors in the education sector include the World Bank, the German Development Bank (KfW), the Foreign, Commonwealth & Development Office (FCDO), USAID, the Global Partnership for Education (GPE), the Korea International Cooperation Agency (KOICA), the Swedish International Development Cooperation Agency (Sida), and UNICEF.

The Government of Rwanda is also leveraging its resources with homegrown initiatives such as engaging the community during school construction and engaging Faith-based Organizations (FBOs), Civil Society Organizations (CSOs) to strengthen their contribution in school improvements or modernization. However, COVID-19 has had a negative impact on households, and children in particular, therefore, there is a need to strengthen support mechanisms for vulnerable households confront financial barriers to afford the out-of-pocket expenditure for education such as scholastic materials, uniforms and school fees for secondary school students to ensure that every Rwandan child has the opportunity to complete its basic education. Furthermore, there is a need to strengthen measures that prevent students from dropping out of schools to maximize gains from the allocated funds.

Figure 17: Financing sources of the education sector budget

Source: Calculated using Rwandan Budget Laws
Annex 1: Strategic documents and targets

<table>
<thead>
<tr>
<th>Strategic documents</th>
<th>Key performance indicators and targets</th>
</tr>
</thead>
</table>
| National Strategy for Transformation (2017-2024)²        | 1. Increase access to pre-primary education; net enrolment rates will reach 45% by 2024 from 17.5% in 2016  
2. Improve quality of education at all levels;  
   • 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  
3. Strengthen mechanisms to promote completion rates, especially in primary and secondary education  
   • Transition rate from primary to lower secondary will increase from 71.1% in 2015 to 92.4% by 2024  
4. Ensure that people with disabilities can start school and progress through all levels of education  
5. Strengthen Science, Technology, Engineering and Mathematics across all levels of education  
   • Achieve 80% of students enrolled in STEM in HLIs and TVETs by 2024 from 44% in 2016  
6. By 2024, ensure digital literacy for all youth (16 to 30 years) by achieving a digital literacy rate of at least 60% by 2024 |
| Education sector strategic plan³ 2018/19 - 2023/24      | 1. All learners achieve basic levels of literacy and numeracy in early grades and beyond  
2. All learners enter primary school at the correct age and successfully complete 12 years of basic education  
3. All children complete school readiness programs  
4. Ensure gender parity in participation and achievement at all levels of education  
5. Increased participation and achievement of children and young people with disabilities at all levels of education  
6. TVET and HEI programs are responsive to both labor market needs and Rwanda’s social and economic development  
7. 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 |


²The 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.

³The gross enrollment rate (GER) is the total enrollment in a specific level of education, regardless of age, expressed as a percentage of the population in the official age group corresponding to this level of education. The GER can exceed 100% because of early or late entry and/or grade repetition.


Macmillan Primary ENGLISH for Rwanda
Pupil’s Book 5