

***APPRAISAL BY IN COUNTRY DEVELOPMENT PARTNERS OF RWANDA'S
EDUCATION PLANS***

LETTER TO FTI SECRETARIAT

Dear Desmond,

*Endorsement of Rwanda's Long-Term Education Sector Strategy, Strategic Plan and
Financial Framework , 2006 – 2015*

As representatives of the partner agencies supporting the Rwanda's Economic Development and Poverty Reduction Strategy and Rwanda's education sector, we are pleased to inform the FTI Partnership that development partners in Rwanda have reviewed the Government's Education Sector Strategic Plan and Long-Term Strategy and Financial Framework 2006-2015 and have endorsed them for the purposes of the FTI assessment.

The partners and Government also request FTI assistance in mobilizing the additional financing through donor headquarter agencies and through the Catalytic Fund. We would like to request that the FTI partnership consider supporting Rwanda and the local donor group to mobilize an additional US\$ 26 million in 2007, US\$ 61 million in 2008, US\$ 65 million in 2009, and US\$ 71 million in 2010, with commitments to 2015 where possible.

Sincerely,

(IN COUNTRY DONOR GROUP – SEE SEPARATE SIGNATURES)

REPUBLIC OF RWANDA
ASSESSMENT OF THE GOVERNMENT'S EDUCATION STRATEGY AND FINANCIAL
FRAMEWORK, 2006-2015
FOR THE FAST TRACK INITIATIVE

SEPTEMBER 9, 2006

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Overall comments. The local donors to education in Rwanda have reviewed Rwanda's Education Sector Strategic Plan, and Long-Term Strategy and Financial Framework 2006-2015, through a series of meetings with Government, education cluster group representatives, and other local development partners. DfID, the lead coordinating agency, coordinated the appraisal process. The strategy and plan cover the entire education sector, from early childhood care and development to tertiary education. Within this framework the local donor group review has focused on two key issues – scaling up to ensure completion of quality primary education for all, and ensuring greater equity in outcomes and finance.

Strengths. A major strength of the Long Term Strategy and Financial Framework and Education Sector Strategic Plan is the thorough costing and attempt made to estimate a comprehensive credible resource envelope. The achievement of universal primary completion is central to both the financing strategy and the plan. The sophistication of the costing and financial analysis provides a sound basis for assessing the financial requirements.

A second major strength is the shift in focus from quantity to quality, and strategies that support local level action. There is an emphasis on shifting resources to schools and districts. Third, the plans build upon broad based consultations held over the past three years, and the strategies have been informed from prior implementation experience.

We also note that the GoR had led a consultative process for evaluating progress under the first PRS and is now leading the development of a new Economic Development and Poverty Reduction Strategy. Whilst the education MDGs and improving literacy remain 'non-negotiable', emerging priorities include more attention to quality, and education and training better geared to market needs.

Concerns. Achievement of universal primary completion will require significant attention to improving quality – particularly in addressing the deficit of teachers – but also in ensuring that all children have adequate instructional materials and safe school environments. Reform of teacher development and support systems is needed to ensure teachers have the skills and competencies to enable effective teaching and learning, and support children in schools. Monitoring learning outcomes is an important but largely neglected area that could help identify strategies for improving educational attainment, particularly for girls. Whilst these issues are addressed within financing strategy and education plan, the importance of making rapid progress in these areas is critical for success and should therefore be subject to special attention and focused monitoring by Government and stakeholders.

A further concern relates to the speed at which the Government intends to redress issues of inequitable financing within the sector. This appraisal notes that whilst funding for primary education has increased, and is planned to increase further, there is still scope for

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efficiency savings and better targeting of public resources. In particular the high cost of higher education could be reduced further to free up resources for primary and basic education.

There are a number of areas where capacity will need to be strengthened. Government led plans for capacity building are being developed and will need harmonized support if they are to impact effectively on service delivery improvements, especially at decentralized levels.

Conclusion.

The local donors to education in Rwanda conclude that the Government's Education Sector Plan constitutes a sound and credible path towards the achievement of Millennium Development goals for education, as well as building the human resource base required for economic development and poverty reduction. We recognize the efforts that the Government of Rwanda has made and is making to develop effective implementation strategies.

In conclusion, **we request that the FTI partnership consider supporting Rwanda and the local donor group to mobilize an additional US\$ 26 million in 2007, US\$ 61 million in 2008, US\$ 65 million in 2009, and US\$ 71 million in 2010, with commitments to 2015 where possible.**

Exchange Rate

US \$1 = RWF 560

World Bank Country Performance and Institutional Assessment Rating (max 6)

Overall Rating	3.5
Governance Rating	3.4
Performance	4.2
Rank	27 th of 66 IDA countries

Millennium Challenge Account Ratings (among low-income countries)

Control of corruption	above the median
Government effectiveness	above the median
Economic freedom	above the median on most indicators

ABBREVIATIONS AND ACRONYMS

CWIQ	Core Welfare Indicator survey
EDPRS	Economic Development and Poverty Reduction Strategy
ESSP	Education Sector Strategic Plan
GOR	Government of Rwanda
MTEF	Medium Term Expenditure Framework
MINECOFIN	Ministry of Economy and Finance
MINEDUC	Ministry of Education
LTSFF	Long Term Strategy and Financial Framework

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I. COUNTRY CONTEXT

1. Rwanda has a population of nearly 9 million people, a high population density of 360 people per square mile (compared with a Sub-Saharan average of 31), and is landlocked. The urban share of the population is only 10.5%. A large share of the population (44%) is under the age of 14. Life expectancy is only 44 years, compared with 59 in low-income countries.

2. We assume that readers are aware of the history of Rwanda during the 1990s. Over the past decade, Rwanda has had to address specific challenges wrought by war and the 1994 genocide including the resettlement of three million people, a large number of orphans, a depleted skilled population, and decimated infrastructure. Rwanda has made significant progress across on many fronts, and continues to establish institutions, systems and policies to address the huge needs of a very poor country. Today, key challenges to growth, poverty reduction, and achieving the Millennium Development Goals include the following:

3. **Poverty** remains pervasive in rural areas, **and income inequality** has increased since the early 1990s. Sixty percent of the population falls below the national poverty line (US\$ 125), compared with a Sub-Saharan average of 46%. Nearly 98% of the poor lives in rural areas, while 75% of Kigali-urban residents occupy the top expenditure quintile. (*Annex Table 3*)

4. **The Economy** rests on a narrow base that is highly vulnerable to weather conditions and fluctuations in international commodity prices for main exports – coffee, tea, cassiterite, coltan and tin. Agriculture accounts for 90% of the labor force, but remains predominantly at a subsistence level. A large number of rural households farm plots are too small to earn a living, while demographic pressures aggravate already intense exploitation of land.

5. The average **education level of the labor force** is low and the labor market offers few opportunities for paid employment outside the public sector. In 2000, the labor force had only an average of 5.7 years of education, 3.5 in the informal sector (World Bank 2004). Almost two-thirds of the population had completed some primary schooling, but only 3.5% and 0.4% had completed some secondary or higher education. Unemployment among Rwandan's with only some primary education is a high 61% (compared with the Sub-Saharan average of 29%), and considerably higher than that for graduates of secondary and higher education (24 and 6 percent, respectively).

ECONOMIC DEVELOPMENT AND POVERTY REDUCTION STRATEGIES

6. In 2000, the GOR adopted its development strategy *Vision 2020* which shifts priorities from a phase of emergency rebuilding and humanitarian assistance to sustainable development. The Vision underpins the GoR's first *Poverty Reduction Strategy*, approved by the World Bank and IMF Boards in 2002, and the second PRSP, the *Economic Development and Poverty Reduction Strategy* (EDPRS), still under development. The main goals are to achieve a per capita income of US\$ 900 and cut the poverty rate in half by transforming the economy from subsistence agriculture to a knowledge based-economy, and promoting non-traditional exports and growth of the secondary and tertiary sectors. Key strategies include:

- a) Maintain macro stabilization and reduce aid dependency
- b) Transform subsistence agriculture into a high-value, market-oriented sector
- c) Pursue comprehensive human resource development (health, safety nets and education at all levels with an emphasis on sciences and technology)
- d) Develop the economic infrastructure, especially transport, energy, water and ICT networks
- e) Strengthen governance and promote participation through decentralization
- f) Promote private sector development

ACHIEVEMENTS

7. GOR has made considerable progress in numerous areas, notably the following.
- Growth. Following a period of declining per capita income, real GDP growth rebounded since 2004 and is expected to reach 6 percent in 2006. Growth has mainly been led by higher export volumes and favorable prices for chief exports, and by the industrial and service sectors (mining, construction, sugar production, tourism). Greater security and improved business regulations have also helped. In contrast, growth in food crops has been declining, suggesting a worrisome trend for poverty reduction. (IMF 2005, 2006)
 - Domestic resource mobilization has been strong due to improvements in the tax regime and collection. Domestic revenue as a share of GDP increased from 9.7% in 2000 to and estimated 15.1% in 2006, and is expected to stay at that level. (IMF 2006).
 - Health indicators have improved. Since 2000, infant, child and maternal mortality have declined. Rwanda is now performing better on these indicators compared to a few years ago but it stills needs to step up progress if it is going to reach the Health MDGs. (*Annex Table 4*)
 - HIV sero-prevalence is comparatively low (3% of the age group 15-49), but increases to 8.6% among urban women. Sero-prevalence rates among the

population aged 15-24 stand at 1.3 percent, and 2.3 percent for women (*Annex Table 4*). In 1999, GOR began to address HIV/AIDS as a priority by reviving AIDS control programs, focusing in particular on information, education and communications, and later developed a multi-sectoral approach.

- Governance and public sector administration. The 2000 decentralization policy and strategy and subsequent implementation plans have established institutions for local participation, and given local authorities power to raise revenue within their jurisdictions. A Common Development Fund -- into which a percentage of national revenues are to be transferred -- was established to finance investments by local authorities. Civil service reforms, on-going since 1998, have strengthened human resource systems at central government level, streamlined central staffing, and rationalized remuneration. Procurement and budget management responsibilities have shifted from MINECOFIN to line ministries, whilst service delivery is the responsibility of local governments. Territorial reforms in late 2005 have reduced the number of districts from 106 to 30. Transfers from the national budget to local authorities have increased to 12.5% with further increases planned.

- Donor relations. GOR developed an Aid Policy in 2006. The policy is consistent with the Paris Declaration on Aid Effectiveness, to which Rwanda is a signatory. It sets out mutual commitments of donors and Government to utilize government systems as much as possible, expresses a preference for budget support, and provides guidelines to facilitate coordination.

CHALLENGES

8. Less progress has been made in fiscal decentralization, transforming agriculture and improving economic infrastructure in rural areas. Many rural districts lack the economic base to raise sufficient revenues, while fiscal decentralization is progressing slowly with allocations to local government being insufficient to meet recurrent needs (e.g. teacher salaries).

9. Rwanda remains highly dependent on external aid despite improved revenue collection. External grants comprise 42% of total public revenue. Aid per capita rose to US\$ 53 in 2005 up from US\$ 40 in 2000, and compared with US\$36 average for Sub-Saharan Africa (*Annex Table 3*). Rwanda reached the completion point under the advanced HIPC initiative in April 2005, and qualified for the Multilateral Debt Relief Initiative in January 2006 which will contribute an annual relief flow of about ½ percent of GDP. This broadly corresponds only to resources needed for food imports and Lake Kivu spending (IMF 2005 or 6). Debt sustainability remains fragile and significant grant financing will be required to support achievement of the MDGs for some time to come, along with sustained improvements in public expenditure management and better poverty targeting.

II. EDUCATION SECTOR DEVELOPMENT

10. Within Government and among development partners, the education sector is widely regarded as one of the only sectors to have developed a comprehensive plan within a sector-wide approach. Approaches to planning, budgeting and donor harmonization are being emulated within other sectors. GOR has had a medium-term (three-year rolling) Education Sector Strategic Plan (ESSP) since 2003. The ESSP is derived from a Long Term Strategy and Financial Framework (LTSFF), which in turn is guided by *Vision 2020*. The ESSP is directly linked to the Government's rolling three-year Medium Term Expenditure Framework (MTEF). The ESSP is fully consistent with PRSP priorities.

11. The LTSFF and ESSP advance seven main policy goals:
- Achieve universal completion of quality primary education by 2015, and expand opportunities for all Rwandans to achieve nine years of basic education
 - Provide increased opportunities for Early Childhood Development, adult literacy, secondary and tertiary education, and children with special needs
 - Improve quality, efficiency and cost-effectiveness at all levels
 - Promote multilingualism, and the teaching of science and technology with a special focus on ICT for a more adaptable labor force;
 - Integrate cross-cutting issues such as respect for human rights, HIV/AIDS prevention, gender equality, environment, hygiene, and health throughout the education system
 - Improve governance and transparency, and planning, management and administration capacities
 - Promote research for national development in partnership with private sector

ACHIEVEMENTS

12. Over the past several years, GOR has made considerable progress in expanding access to education, particularly to primary and higher education, and has put in place ambitious strategies to expand access to lower secondary education.

13. In primary education, GoR's objectives have focused on expanding access, improving equity and efficiency, and strengthening governance through greater community involvement. All have progressed with considerable success. GoR are expanding access further through the introduction of a nine year cycle of basic education, which should have a positive impact on primary completion rates.

14. Access and equity. Rwanda is well on its way to achieve the goal of **universal access** to primary education by 2010 with gender parity. Since 2000, enrolments have grown at an average annual rate of 6% bringing the gross enrolment rate to 136% and the net enrolment rate to 92%, with a higher rate for girls than boys. Expansion of primary education has resulted in greater access for the poor. This achievement is due to several factors -- high demand for education, combined with expanded infrastructure, and a more intense use of facilities and teachers through double-shifting in the early grades. School

fees were also abolished in 2003, and resources transferred to schools on a per student basis in 2005. Between 2003 and 2006 operational grants transferred to schools have increased from Rwf 300 per student per annum to Rwf 2,500 per student per annum.

15. Efficiency. Improvements have been realized in scaling up implementation of classroom construction to ease overcrowding through decentralized approaches using GoR guidelines. The approach has resulted in a significant reduction in construction costs when resources are transferred to districts. Repetition, drop out and other flow indicators have improved but remain quite problematic.

16. Governance – A strength of the Rwandan system of education is the high level of parental participation in Parent Teacher Associations. Households participate in PTAs and can have a voice in how school capitation grants are utilized. Examinations have become more transparent, with success dependent on performance rather than backdoor arrangements. Rwanda’s national Examination Council recently won a UN Public Award for Transparency and Accountability.

CHALLENGES

17. The EFA and MDG goals for primary education call for **universal completion of quality primary education**. Comparatively less progress has been made in improving outcomes. Input indicators, indicative of quality levels, also suggest a worrisome situation. (*See Annex Table 5 trends in education indicators.*)

18. Primary Completion rates have increased over time, but remain under 50 percent, significantly lower than the Sub-Saharan average of 61 percent and far from 100%. The repetition rate in primary education is a high 18 percent, compared with an average of 6.4 for low-income countries. Two main factors motivate drop out -- the cost of education and failure. An estimated 35% of households withdraw their children due to inability to afford the cost of uniforms, textbooks and lunch. An additional 30 percent cite failure on the primary school leaving exam as the main reason for dropping out (CWIQ survey).

19. An estimated 104,000 children of primary school-age are not in school. Children at highest risk include the poorest, those who have lost both parents (7% of the 4-14 age group), and children who do not live with any biological parent even though they are alive (which forms the largest share of children out of school). To address the needs of these children, GOR has piloted an alternative – the Catch Up Program – with some success and plans to expand it. While this is a promising strategy for those who missed a chance at primary education, addressing the cost barrier will be critical for children of school-age.

20. Gender equity is compromised by the high failure rates. Fewer girls complete primary school; and, they fail the exit exam in larger numbers. In 2004, only 22% of girls passed the exit exam, compared with 34% of boys. As a result, more girls are barred from public secondary schools, and end up in large numbers in lesser quality, higher fee-

paying, private secondary schools. The Government is developing an incentive based program for encouraging schools to address issues of low achievement.

21. The quality of education and a focus on student learning outcomes remain considerable challenges. The ESSP input targets for improving quality had been set at a low level, but even those have not been achieved.

- Infrastructure and teacher recruitment have not matched enrolment growth. Overcrowding intensified from 54 students per classroom in 2000 to 65 in 2005. The student: teacher ratio increased from 51:1 in 2000 to 64:1 in 2005. Current pre-service teacher training is limited and too long to provide an adequate number of teachers (3 years for primary, 5 years for secondary).
- Very little attention has been paid to teacher development, management and support. Although most primary school teachers are ‘qualified’ according to national standards, they are not actually equipped with the skills and competencies needed to deliver effective teaching, let alone support vulnerable children in a fragile environment. Methods are outdated, and aside from occasional ad hoc summer courses, there is no system to support and motivate teachers in the classroom. A draft policy to addresses teacher development and management systems is awaiting approval.
- Double-shifting is universal in grades 1-3 exacerbating high student: teacher ratios and reducing instructional time below internationally acceptable levels. Instructional time is further reduced by teacher absenteeism (In the Citizen’s Report Card survey, 42% of respondents reported that teachers were available only ‘sometimes’).
- Teaching and learning materials are rare in schools.¹ Internationally acceptable systems for the procurement of textbooks are in place but it is taking several years to get all the textbook purchases through the system. Only French and English textbooks have been purchased at a ratio of 1 book to 3 children within the past five years. Rapid improvements in the capacity of the system to purchase instructional materials will be needed if the planned ratio of 1:1 in core subjects is to be reached.
- Curriculum revision has been slow and difficult to assess. Greater attention will need to be paid to how well a streamlined curriculum and relevant textbooks are sequenced and geared to the age and learning capabilities of the children, with a more specific focus on learner outcomes and essential skills..
- The end of cycle exam is the sole mechanism used to assess learning outcomes on a national level. But, it is not designed to assess how well students are achieving

¹ Only 20% of households report that teaching and learning materials are available (Community Score Card).

the curriculum objectives throughout the primary cycle and cannot be used as an instrument to monitor progress. Given that the majority of children drop out before the end of the primary cycle, the lack of attention to learner outcomes at earlier stages in the education system has implications for the future literacy levels of Rwanda's population.

Secondary and Tertiary Education: Limited and Inequitable Access

22. The education pyramid is broad at the bottom and narrow at the top. The gross enrolment ratio in secondary education stands at only 17 percent, compared with a Sub-Saharan average of 28 percent. Forty-one percent of students are enrolled in private fee-paying institutions. Public and publicly subsidized secondary schools are predominantly boarding schools, a large expense for government.

23. Inequitable access. Wealth and access to paid employment are strongly linked to secondary and higher education. Current low and inequitable access to secondary and higher education, with a rural urban divide, severely limits the opportunities poor people have to lift themselves out of poverty. In 2000, about 19% of school aged children in the highest consumption quintile attended secondary school compared with only 1% in the lowest income quintile. The ratio worsens in higher education.² The Government's policy to extend basic education to nine years, and the opening of lower secondary day schools, has improved the transition rate from primary to lower-secondary slightly (from 42% in 2000 to 45% in 2004).

24. Gender equity. Gender equity in public secondary and tertiary institutions is low. Females comprise only 42% of enrolment in public and subsidized secondary schools, and only 40% of students in public higher education. Of the women who do enter higher education, the majority has little choice but to attend lower-quality private fee-paying institutions where they comprise over 50% of enrolment.

25. Efficiency. The distribution of enrolment across faculties in higher education suggests a disconnect with the Government's vision for development and makes the case for the high levels of subsidies (see below) difficult to justify. Currently, 63% of tertiary students are enrolled in general and social science faculties (education, law, female empowerment, humanities, social sciences), compared with only 14% of students pursuing sciences, 11% in medicine and nursing, and 8.6% in engineering.

Education Financing ³

² In higher education, 6.1% of adults in the highest income quintile attended compared with only 0.2% of the two lowest income quintiles (MINCOFIN 2002).

³ It is very difficult to obtain a clear trend on expenditure by level of education and function. The categorization of the budget vary from one year to another, particularly with respect to salaries which are not consistently disaggregated by level of education, nor is salary expenditure disaggregated between teaching and administration. Additionally, the salary lines in the Ministry of Local Government budgets for 2005 and 2006 have been distributed between primary and secondary education at a rate of 85:15 in order to obtain some estimate of a trend. In the future, proper and consistent categorization of the budget

26. Public Financing. To finance improvements in primary education, education expenditure is broadly moving in the right direction with some areas for improvement. Positive trends include the following (*Refer to Annex Table 7 for Education Expenditure trends.*):

- Recurrent expenditure on education has averaged about 17.4% of total public recurrent expenditure over the period 2003-06, compared to the FTI benchmark of 20%.
- Primary education's share of education recurrent expenditure rose from 40 to 45 percent between 2003- 2006. This level lies below the 50% FTI benchmark.
- Recurrent non-salary expenditure increased from 16 to 43 percent over the period, raising nominal recurrent expenditure per student from US\$ 28 to US\$ 40. The increase is mainly due to the capitation grant.
- Salary expenditure per staff is around 4 times GDP per capita, reasonably in line with the FTI benchmark of 3.5.
- The share of the education recurrent budget allocated to secondary education has increased from 18% in 2003 to a budgeted 20% in 2006.

27. However, several areas can be improved:

- Only a small amount is budgeted for instructional materials
- Public expenditure on education has fallen as a share of the total Government expenditure (from 19.3% in 2003 to 16.3% in 2006). Development expenditure fell from over 10% of total Government development expenditure in 2003 to 7% in 2005/06. This is low relative to the continued need for primary lower secondary infrastructure. Further, 35% of development expenditure in 2005 and 2006 was expenditure on tertiary education.
- Expenditure on higher education fell moderately from 35% in 2003 to 31% of recurrent education expenditure in 2005, but remains high. Student subsidies comprise 42% of tertiary recurrent expenditure, up from 37% in 2005. The subsidy covers tuition payments (minimum 300,000 RWF a year), and monthly allowance that is more than double monthly per capita income. The gross salary of teaching staff averages 41 times GDP per capita compared to 3.8 times for a primary school teacher. In contrast, the private sector charges substantially lower fees and has accounted for most of the recent growth in higher education, particularly among women.
- In 2005 and 2006, external aid as a share of total education expenditure averaged between 37% (excluding off budget expenditure) and 45% (including off-budget

and expenditures should have high priority to enable the tracking of expenditure across levels of education and functions.

expenditure reported by donors). This level corresponds roughly to the level of external grants in total Government expenditure. However, a large percentage of aid remains off budget. The education sector will require an even higher level of external financing in the future. For proper planning and monitoring of resource flows, it is important that all resources be on budget.⁴

III. ESSP AND LONG-TERM STRATEGY AND FINANCIAL FRAMEWORK

TECHNICAL APPRAISAL

28. To meet the above challenges, GOR has recently revised the LTSFF priorities, setting more ambitious targets to achieve universal completion of quality primary education by 2015, shifting focus to tackle issues of quality, equity and inefficiencies in overall financing. Key targets for 2015 include: (*Refer to Annex Table 8 for Key Performance Indicators and the FTI benchmarks*).

- Primary completion from 51% to 112% by 2015⁵
- Drop out rate from 14% to 5% by 2010 and 2% by 2015
- Repetition rate from 19% to 8% by 2010 and 3% by 2015
- Double shifting reduced from 31% in 2004 to 20% by 2010 and 6% by 2015.
- A textbook ratio of 1:1 in core subjects by 2008
- Transition rate from primary to lower secondary of 75% is achieved by 2015 as a major move towards nine year basic education
- GER at secondary from 16% to 43% by 2015.
- Reduce boarding in secondary schools from 58% to 8% of students, and
- Reduce higher education's share of the education budget to 22% by 2015

29. The local donor group fully supports the focus on scaling up efforts to improve quality and outcomes at the primary level, as well as on strategies to rebalance financing. We strongly support the strategy to ensure minimum basic inputs essential for learning in primary schools – a teacher, sufficient teaching and learning materials, and a budget for school operating costs and student support. We endorse the targets set for primary and lower secondary education, and recognize that the achievement of these targets will make a significant difference to the lives of poor people, including their health and ability to lift themselves out of poverty and contribute to development.

⁴ . Using donor reported data, external aid to education averaged RWF 31 billion (US\$ 55 million) annually in 2005 and 2006. This includes project support, sector budget support, and an estimate of general budget support (Annex Table xx).⁴ Utilizing Government finance data, external aid to education over this period falls to US\$ 40 million. The US\$ 15 million difference can be explained as “off budget support”.

⁵ Completion rate exceeds 100% because of the large numbers of overage children in the schooling system which also means that the gross enrolment rate has been above 100%.

30. We express reservation with regard to the following areas and take them into account in the financial appraisal:

- The targets and strategy for vocational and technical education need to be better anchored in analytical work and alternative strategies considered to ensure a cost effective response to labor market needs.
- Although tertiary education's share of the budget is projected to decline, expenditure per student remains high and increasing over time.
- Similarly, in upper secondary education where the majority of schools are boarding schools, subsidies for food and other activities average US\$ 30 per student with no plan to address these costs.

Education Sector Strategic Plan (ESSP)

31. For the ESSP, the revised LTSFF targets imply scaling up activities that are already within the plan for primary education such as school construction, the school grants program, teacher training and support, provision of teaching and learning materials, curriculum development, and the HIV/AIDS program. Annual Operational Work Plans (AOWPs) will need to prioritize scaled up action in these areas.

32. We support the strategies utilized in decentralized and community-based construction management, and the school capitation grants. We support the development of a more thorough HiV/AIDS strategy which is coherent with broader national efforts. However, ESSP strategies are not adequate to the targets in the following areas:

- Ensuring the recruitment of a sufficient number of teachers. Scaling-up traditional methods of teacher training will be slow and insufficient to meet the needs until 2012 at projected expansion rates. In order to achieve the targets set, an additional 2,400 teachers will need to be needed during the first three years of the plan (e.g. 2007-2009). Otherwise, the pupil: teacher ratio will climb to 68:1. Alternatively, an estimated 140,000 children (10% of the primary school-aged population) will not be able to attend school. Drop out rates are likely to remain high and teacher motivation low. A holistic approach to teacher development and management (as proposed in the draft policy) with a focus on attracting and retaining sufficient teachers, and equipping and supporting them with basic skills and competencies will require an overhaul of the current system.
- Improving achievement levels of girls and their access to secondary and higher education. The ESSP girls' education program has largely focused on gender sensitization and role models. While this strategy may be important to improve the educational environment for girls, it does not appear to be helping their achievement levels, or their access to further education. The planned 'Schools Campaign' for improving performance and retention will need a strong focus on monitoring results.

- Meeting the constraints of the poorest. The policy of fee free primary education, adopted in 2003, helps to alleviate the cost constraint for the poor. However, still, for the majority of children not in school, other costs of education – direct and opportunity – present the main challenge. The ESSP does not yet have effective strategies to address their needs.
- Monitoring learning outcomes. Currently, there is no plan to monitor learning outcomes during the key stages of the primary school cycle to determine what students are learning and what strategies may help to improve learning outcomes.

RISK MITIGATION

Addressing the above concerns involves policy dialogue in some cases, and capacity strengthening in others.

Policy Dialogue

33. There is strong Ministerial interest in addressing issues of quality in primary education. Work is ongoing to establish minimum quality standards. The budget for textbooks has been increased and plans to speed up construction are progressing. Within this Government led framework we will continue to have dialogue on targeted strategies to ensure that all children can access quality primary education. In particular we will encourage the Government to take a holistic view on improving quality, with a particular focus on regular monitoring of learning outcomes.

34. To address the concern with teacher recruitment, Government is considering several strategies including a salary review to make teaching more remuneratively attractive, discussions with the IMF on what can be done to address the issue relative to the three percent growth ceiling on civil service positions, and more flexible strategies to meet the immediate need such as community recruitment of teachers, open advertisement to recruit untrained teachers with a basic academic level, and recruitment of teachers by local government or communities on a contract basis. Whilst these strategies will have a significant impact on the ways in which teachers are trained, contracted and managed, we recognize that it is the Government's intention to adopt strategies that are consistent with the current financial projections. We will continue this dialogue with the Government. We are confident that the Government has the commitment to address this issue and will soon come to a satisfactory conclusion. At the same time we will continue to discuss with GoR ways in which the current systems of teacher development and support can be upgraded to meet the needs of a modern nation.

35. The Government has developed a number of strategies intended to decrease overall public financing for higher education, whilst at the same increasing access. The Student Financing Agency for Rwanda and the National Council for Higher Education will be important in managing student financing and ensuring appropriate quality assured public and private higher education. It should be noted that a high rates of loan

repayments through the SFAR are unlikely, and GoR will need other strategies to keep higher education expenditure from spiraling out of control. The LTSFF plans to reduce gradually the number of students receiving subsidies. However, overall financing for higher education remains high and within this capacity development and operating costs have already been decreased to a minimum. We will continue to have dialogue with the Government on how to ensure that higher education is equitable and focused on national requirements.

36. We recognize the enormous need to develop skilled labor at all levels, and that this will require further investment in technical and vocational education and training. Given the low employment rates from existing technical schools, we are concerned that the planned TVET inputs will not result in the much needed and expected outcomes. TVET strategies will need to be based on realistic expectations for economic growth and solid analytical evidence. We will continue to have dialogue with the Government on the development of alternative strategies for skills development, labor market analysis and public private partnerships.

37. With respect to gender, MINEDUC has prepared a draft gender policy for the education sector which we will use as the platform to integrate a focus on improving girls achievement, completion and access to post-primary education in public schools. The proposed ‘Schools Campaign’ is a useful start, but this will need to be carefully monitored for results and fully integrated into AOWPs and budgets.

Institutional Capacity

38. The capacity of MINEDUC and of MINECOFIN has been strengthened over the past several years in key areas of planning, budgeting and expenditure management. Since 2003, MINEDUC has held a *Joint Review of the Education Sector* to review progress in education performance with all interested partners. Combined with the Joint Budget Support Reviews, operational since 2005, there is an increasingly transparent and Government led process for annual monitoring. As data reliability and analysis improves, there is an opportunity for even more robust monitoring and evaluation.

39. The Government and donors both recognize the capacity constraints that may impede achievement of the LTSFF and ESSP (*refer to Annex Table 1*). Additionally, the Education Memorandum of Understanding signed by the majority of education donors, recognizes that ad hoc/unaligned capacity building and technical assistance can deplete the capacity of a slim Government. For this reason, the donors have set up a pooled fund to finance a coherent capacity enhancement plan.

40. The numbers of officials in central Government have reduced dramatically over the past two years, as implementation responsibility has been decentralized. There are skills shortages in key central government functions, and those who do remain at central level are pulled in numerous directions with little time to attend to day to day matters. At the same time there is an urgent need to support newly formed districts to realize their potential in terms of improved service delivery. These issues are recognized by the

Government. Building capacity is a priority theme in the new Economic Development and Poverty Reduction Strategy currently under development.

41. The Ministry of Education is taking a two phase approach to capacity building. In phase one the plan will concentrate on the development of a holistic plan covering all aspects of the education system. Also in phase one, there will be a focus on strengthening school management and local level governance.

42. Phase two will encompass a broader range of capacity development, to be integrated within the cross Government strategy for capacity development being led by the Human and Institutional Development Agency (HIDA). Particular attention will be given to capacity building at local levels, in coordination with other national efforts (for example RALGA). As the plan is developed, it will be possible to include support for areas of concern e.g. building local level capacity to address issues of girls' achievement. However, it will be important to ensure capacity building is managed in a sequenced manner, so as to support and add value to core management, planning and monitoring functions critical to improved service delivery. Priorities within phase two (beginning in 2007) will include the following:

- Development of a robust instructional materials procurement and distribution system
- Introduction of an Education Management Information System (in 2007) which will improve the monitoring of key education inputs and outputs across districts and schools;
- Analysis of household surveys to better identify targeting strategies and assess trends in the distribution of education expenditure across income groups;
- Monitoring learning achievement against the curriculum objectives in key stages of the primary cycle (including identifying areas of poor achievement for girls);
- Capacity building for planning, implementation and disaggregated monitoring at the district level.
- Equitable models for developing and financing secondary, technical, vocational and higher education

COSTS AND FINANCIAL APPRAISAL

43. The table below shows the estimated cost and financing requirements for the LTSFF/ESSP for 2007-2015 under three scenarios:

- (a) Scenario 1 -- The Base Case as estimated by GOR
- (b) Scenario 2 -- which reduces higher education subsidies to 50% of students
- (c) Scenario 3 -- which reduces higher education subsidies to 50% of students and reduces vocational and technical education expenditure by 50% in the medium term to allow more time for coherent strategy development.

44. Other savings can also be achieved in individual line items such as university staff salaries, and subsidies for upper secondary school students. This will continue to be part of our budget and finance dialogue.

45. Resources. The estimate of available resources assumes that revenue collection will range from 14.1% to 15.3 percent of GDP between 2006-2010 and is expected to grow to reach 16.8% in 2015. The share of public resources allocated to education is expected to increase to 20 percent of the total budget. It also assumes that all donors currently providing budget support will continue to do so at current levels. Currently, over half of total external financing is from multilaterals – World bank, African Development Bank, World Food Program and UNICEF. Among bilateral agencies, five partners - Belgium, DfID, France, Germany, and SIDA - have made, or intend to make, commitments to provide support either directly to the sector or to the general budget. Of the five, each contributes a small amount. Two contribute barely over US\$ 1 million a year; and only three have made commitments beyond one year. (Annex Table 10) The Netherlands is also exploring a contribution of Euro 30 million over five years, but the timing is uncertain. JICA will provide some counterpart funding (US\$ 2.5 million for a higher education project) and project/technical assistance for TVET and secondary teacher training.

46. The majority of external resources will be coming through general budget support or the new sector budget support modality. The most significant financing issue for education remains budget allocations to and within the sector.

Financing Gap

47. Scenario 1: In the base case, the financing gap is estimated at \$US 26 million in 2007, rising to US\$ 71 million in 2010 and falling down to US\$ 63 million in 2015 due to the anticipated increases in domestic revenue by that time. The gap rises not only due to more ambitious targets for basic education but also due to donor's inability to make longer term commitments. If the gap is filled, education expenditure as a share of GDP will rise from 5.1 to 5.9 percent by 2010, and from 16 to 25 percent of GOR budget (assuming all resources are on budget). Primary's share of education expenditure increases steadily from 44 to 52 percent by 2010, and expenditure per student doubles in nominal terms.

48. Scenario 2: Reducing student subsidies in higher education from 90 to even 50 percent of students in public institutions results in an average savings of US\$ 10 million a year over the period 2007-2010. Under this scenario, the financing gap increases from 26 million in 2007, to 61 million in 2010 and 45 million by 2015. Under the base case, the subsidy envelope is projected to increase significantly over time. This increase will be unsustainable as the resources will be needed to ensure sustainable financing for recurrent expenditure in basic education, such as teacher salaries.

49. Scenario 3. Reducing higher education subsidies (as in scenario 2) and reducing expenditure on vocational and technical education in the medium term. The additional savings are much smaller – around US\$2-4 million a year – but the savings are almost sufficient to cover the salaries of the 2,400 additional teachers required for primary education in the short-term.

Estimated Costs, Financing and Financing Gap

	2006	2007	2008	2009	2010	2015
Total GoR budget (RWF millions)	404,738	405,286	431,886	486,862	540,350	591,772
Of which external financing (RWF millions)	186,197	186,197	186,197	186,197	186,197	186,197
External resources as % of total government budget	52	48	43	40	36	22
Domestic revenue as % of GDP	14.1%	14.4%	14.7%	15.0%	15.3%	16.8%
Total Expenditure/Cost (RWF millions)	63,416	97,110	110,458	122,553	136,670	203,947
US\$ millions	113	164	182	197	211	264
Recurrent (MTEF)	53,414	74,030	86,089	97,226	109,582	177,558
Development (construction)	7,002	20,080	21,368	22,326	24,088	23,390
Development (TA, expat salaries, other projects)	3,000	2,850	2,708	2,572	2,444	1,891
Total Resources for Education (RWF millions)	65,945	82,581	71,744	81,912	93,461	172,067
Recurrent budget ceiling (domestic + budget support)	55,943	69,612	57,923	66,333	76,170	145,463
Development budget (civil works)	7,002	9,969	10,820	12,580	14,291	23,605
Development budget (TA, expat salaries, other projects)		2,850	2,708	2,572	2,444	1,891
Financing Gap Estimates (estimated costs - estimated resources)						
Scenario 1. Base Case (RWF millions)		14,529	38,714	40,640	43,209	31,880
US\$ million		26	71	75	81	63
Scenario 2. Reduces higher education subsidies to 50% of students (US \$ million)		26	61	65	71	45
Scenario 3. Reduces VET and Technical Education by 50%		25	59	63	68	42

Conclusion

50. The development partners have discussed the three scenarios. In light of our concerns with the high level of expenditure on tertiary education, we agreed that either scenario 2 or scenario 3 - both of which suggest a reduction in student subsidies (and better targeting) at higher education, represented the most appropriate financing gap. We agreed that there was an urgent need for a coherent strategy for vocational and technical education, but felt that the ongoing work in this area could guide expenditure in 2007 whilst a better formulated strategy was developed in time for 2008. The group felt that the risks identified in the area of TVET could be mitigated through policy dialogue and technical assistance, especially within the development of the EDPRS.

51. We therefore endorse scenario 2 as the most appropriate in the medium term for the purposes of resource mobilization while we continue our dialogue on resource use to identify other budget lines where further cost savings can be made. In conclusion, **we request that the FTI partnership consider supporting Rwanda and the local donor group to mobilize an additional US\$ 26 million in 2007, US\$ 61 million in 2008, US\$ 65 million in 2009, and US\$ 71 million in 2010. In view of the continued financing gap of \$45 million by 2015, we request long term commitments where possible.**

Donor Collaboration, Harmonization and Alignment

52. Donors are committed to working together to support only one education plan. A well established donor coordination mechanism exists for this purpose (DfID coordinating agency). Donors are guided by the Government's Aid Policy, the Organic Budget Law, and the Education MoU. Monitoring is managed through annual Joint Reviews of the Education Sector, plus the Joint Review of Budget Support, twice a year. Donors are encouraged not to hold separate reviews, and to be aware of the high transaction costs placed on a slim Government by uncoordinated missions. Technical working groups on key topics meet regularly to strengthen policy dialogue. A sector budget support pooled-funding framework has been developed to mobilize bilateral financing for the LTSFF/ESSP and there are a small but increasing number of silent partnerships. A framework for a common capacity building fund has also been developed. We will continue to strengthen our dialogue through these processes as well as through budget reviews.

53. Donors also commit to ensuring that all their planned expenditure in the education sector is on budget so that all resource flows are captured to facilitate resource planning. This is part of GoR's Organic Budget Law and Aid Policy. An External Finance Unit exists within MINECOFIN to guide agencies in determining areas for support (with a preference for general budget support, followed by sector budget support and aligned programs) and to facilitate a move away from 'project shopping' by line ministries and donor partners.

54. As donors scale up their support, however, there is a need for donors to strengthen their own capacity for, and regularity of, policy dialogue through harmonized systems. In this regard, we would request that donors seriously consider allocating technically qualified staff to participate in policy and technical discussions on a regular basis.

REPUBLIC OF RWANDA
ASSESSMENT OF THE EDUCATION SECTOR STRATEGIC PLAN, 2006-2010
FOR THE FAST TRACK INITIATIVE

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Annex Table 1 : Capacity Constraints and Plans to Address Them

The Government is currently developing a comprehensive plan for capacity development. In the first phase the plan will concentrate on two key areas: (i) institutional assessment and support for capacity development at all levels (TA due to start by Jan 2007), and (ii) strengthening local management of schools. Phase two will be informed by the planned cross government skills audit and will cover all aspects of education management and service delivery. Development partners have set up a pooled fund to ensure Government led and harmonized support for capacity building. Progress will be needed in the following areas to support the achievement of universal primary completion:

Domain	Nature of Capacity Constraints	Proposed plan to strengthen capacity
Teacher recruitment, support and development		
Teacher deficit at primary and lower secondary	It is unlikely that enough civil service teachers can be recruited to fill the teacher deficit. Current teacher training system does not have the capacity to train enough teachers to meet primary pupil teacher ratio targets, or to allow for planned expansion to nine years basic education.	Government is exploring other options, including community contracting. Teacher development and management policy includes options for shorter pre-service training, plus school based training and in-service support. Policy awaiting Cabinet approval. Policy implementation could be supported through pooled fund for capacity building. Two Colleges of Education (lower secondary training) to start in 2007.
Teacher support	No system to support teachers in schools.	TDM policy includes development of teacher support system. Distance Training to upgrade secondary school teachers to continue.
Teacher development		Review of the primary teacher curriculum planned.
Student assessment and curriculum development		
Curriculum development	An emergency curriculum was developed in 1997 (post genocide). Subject by subject curriculum development has been undertaken since about 2001. There are concerns that the curriculum is overloaded (too many subjects), and not well geared to the cognitive abilities of the children. Expansion to nine year basic education will require further streamlining of the curriculum.	Initial proposals on streamlining the curriculum to allow for progression from 1-9 have been developed. Decisions regarding the nature of the curriculum – and its suitability for the cognitive ability of learners need to be taken. Can be supported from capacity building fund.
Student assessment	No assessment of student learning achievements to monitor effectiveness of teaching and learning. PRSP includes actions	A possible area for support within the capacity building plan. Engagement with one of the regional initiatives for monitoring

	to develop MLA in order to develop baseline profiles of learning achievement, but progress to date has been slow.	learning achievement (e.g. SAQMEC, PASAC) is recommended.
Data for better management		
EMIS	Education data is unreliable and difficult to analyze, especially for disadvantaged groups.	A fully integrated web-based EMIS is under development which will allow for data analysis at national and decentralized levels. Training will also be given. MINEDUC are also looking to hire an education statistician.
Targeting of poor and vulnerable populations/demand side financing		
Data	As above. Lack of disaggregated data hinders development of targeted strategies.	New data from the household living conditions survey (EICV) is expected soon.
Catch-up	Centers for children to return to school are being piloted. Sustainable strategies for scaling up needed.	Some support for developing and costing sustainable strategy anticipated – probably through capacity building pool.
Demand side financing	The Genocide Survivors Fund (FARG) and District Education Fund (DEF) support schools costs for a small number of (mainly) secondary students. WFP supports some primary school feeding. There is no holistic strategy for addressing demand side costs although some local level actions are effective. Citizen Report Card survey suggests costs are significant for families, but the sample is small.	In the first instance GoR plan to evaluate how the capitation grant is being used. This will look at other others possibly being levied by schools, and how the grant could support poorer children to attend. EICV analysis will provide information on reasons for drop out. The Citizen Report Card surveys are likely to be expanded. A better understanding of the problem will allow for strategy development in this area.
Technical		
Procurement and distribution of instructional materials	A textbook policy exists and is in operation but systems are painfully slow – resulting in very few books reaching classrooms. Given the increased budget in this area addressing these constraints is a high priority.	Evaluation planned to identify areas for capacity development and further support. Options include giving the proposed procurement officer in MINEDUC special responsibility for textbook procurement, or setting up a small textbook unit. An area for TA support under the capacity building pool.
School design and construction		
Administration and Management		
National budgeting and financial management	Capacity has been strengthened in this area, particularly in the Planning Directorate. As procurement and budget responsibilities have been shifted to line ministries it will be important to identify a broader number of people able to manage these roles.	Public Expenditure Review to report at next annual review. Action plan for improving public financial management under development but could be delayed by need to fill critical posts – e.g. procurement.

Sub-national government administration	Districts are newly formed and roles still being established. Support is needed in all areas to help them reach potential for improved service delivery.	PER will focus on decentralized and school level expenditure and systems. Phase two of the capacity building plan will include district levels. Cross government skills audit and capacity programs are planned. EMIS (2007) to be rolled out to districts.
School-level capacity		
HT/teacher management	Training needed in financial management and accountability, and staff management (to help address teacher management) plus specifics – HiV/AIDS, improving girls performance etc.	Priority given to school management training in capacity building plan (design to learn from existing projects). To be rolled out over 3 years and incorporated into MTEF.
PTAs- local governance	PTAs (primary) and Boards of Governors (secondary) exist but need support in managing school funds.	To be included in school management training package.

Annex Table 2. Consultations with Stakeholders

Consultations	Dates/Place	Participants					
		Government	Civil Society	Stakeholders	Bilaterals	Multilaterals	Int'l NGOs
Joint Review of the Education Sector (JRES)	May 2003 Kigali + field visits	All reviews led by Ministry of Education. Attended by representatives from other key Ministries.	Faith Based Organizations; local NGOs; FAWE; Teachers Union representatives	Higher Education representatives; Provincial and District officials; Directors of Semi-Autonomous Agencies; representative number of teachers, inspectors, headteachers.	DFID SIDA JICA (2005) VVOB (Belgium) APEFE/W ALLONI E – Brussels Netherlands GTZ French Cooperation USAID	UNICEF World Bank EC World Bank UNICEF African Development Bank (2006) UNDP (2005 onwards)	VSO Care International ADRA SNV (2006)
Joint Review of the Education Sector (JRES)	May 2004 Kigali + field visits						
Joint Review of the Education Sector (JRES)	April 2005 Kigali + field visits						
Joint Review of the Education Sector (JRES) reviewing 2002 – 2005 progress as a sector self evaluation for new PRSP.	April 2006 Kigali						
Education Budget Workshop (to revise ESSP and forward looking budget following consultations)*	September 2003	Ministry of Education; Ministry of Finance		HE representatives; Directors of semi-autonomous agencies	DFID, SIDA.	EC World Bank	
Joint Budget Support Reviews (Education sessions)	April 2005; September 2005; April 2006; September 2006	Ministry of Finance; Ministry of Education			DFID, SIDA, Germany (observer) Belgium (observer)	EC World Bank AfDB	

Annex Table 3. Basic Country Data

	1990	2000	2004 or 2005	Group Averages	
				Sub-Saharan Africa	Low-Income countries
Demography					
Population, total (millions)	7.1	8.0	9.0	726	2,343
Fertility rate total (births per woman)	7	5.8	6.1	5	4
% of population 0-14	50.0	47.2	44.1	43.7	36.8
Population density (people per sq. km)	288	325	360	31	80
Children 7-14, without any parent (thousands)		141			
Children 7-14, not living with any parent but parent alive (000)		298			
Female headed households (%)		36			
Life expectancy at birth	31	49	44	46	59
Income and Poverty					
GNI per capita Atlas method (current US\$)	360	250	210	601	507
GDP per capita US \$ (IMF statistics)	208	204	232		
Poverty headcount ratio, national poverty line (% of pop)		60		46	
Urban		14			
Rural		66			
Labor Force					
Children in the labor force (% ages 10-14)	42		41	28	18
Children aged 7-14 who study & work (% of economically active children)	..	73	..		
Unemployment by level of education (1999-2001)					
Primary, % of total unemployment		61			29
Secondary, % total unemployment		24			41
Tertiary, % total unemployment		6			30
Central Government Finances					
Domestic Revenue (% of GDP)		11	15	..	12
Military expenditure (% GDP)			3	2	2
Private Sector Development					
FDI (% GDP), 2003	0		0	3	2
Days required to start a business			21	63	63
Aid Dependency					
Aid per capita (current US\$)	41	40	53	36	14
External grants as % of total revenue		42	42		
External grants as % of GDP		8	13		

Sources: World Bank, World Development Indicators 2006 on line. IMF statistics for GNI and GDP. Demographic and Health Survey, 2005 results. Aid dependency figures are the author's calculations using government financial statistics and IMF financial statistics and GDP data.

Annex Table 4. MDG Trends

	1990	2000	2004/05 or MRY	SSA	LIC
Goal 1: Eradicate extreme poverty and hunger					
Income share held by lowest 20%					
Malnutrition prevalence, weight for age (% under 5)		24	25		43
Poorest quintile		27			
Richest quintile		14			
Poverty headcount ratio at national poverty line (% of population)		60.3		46.4	
Urban		14.3			
Rural		65.7			
Goal 2: Achieve Universal Primary Education					
Literacy rate, youth (% age 15-24)	73		78	69	74
Primary completion rate	45	24	45	62	74
Net primary enrolment rate			73	64	79
Goal 3: Promote Gender Equality and Empower Women					
Proportion seats held by women in parliament	17	17	49	16	15
Ratio of girls to boys in primary and secondary education		96	100	84	86
Ratio of literate females to males (% ages 15-24)	86		98	78	81
Goal 4: Reduce Child Mortality					
Immunization, measles (% children 12-23 months)	83	87	86	64	64
Infant Mortality per 1,000 live births	103	107	86	100	79
Under 5 mortality per 1,000 children	173	198	152	168	122
Goal 5: Improve maternal health					
Births attended by skilled health staff (%)		31	39	42	40
Maternal mortality ratio (per 100,000 live births)		810	750	921	682
Goal 6: Combat HIV/AIDS, malaria and other diseases					
Contraceptive prevalence (% women 15-49)		13	10	22	40
HIV prevalence (% ages 15-49)			3		
HIV prevalence, female (% ages 15-49)			3.6		
HIV prevalence, urban females (% ages 15-49)			8.6		
HIV prevalence, rural females (% ages 15-49)			2.6		
HIV prevalence, total (% ages 15-24)			1.3	7	2
HIV prevalence, female (% ages 15-24)			2.3		..
Incidence of tuberculosis (per 100,000)	135		371	363	224
Goal 7: Ensure Environmental sustainability					
Forest area (% land coverage)	13	14	19	27	25
Access to sanitation facilities (% population)	37		41	36	41
Access to water source (% population)	58		73	58	75
Goal 8: Develop a global partnership for development					
Aid per capita (current US\$)	41	40	53	36	14
Internet users per 1,000 people	0	1	4	19	24
Fixed line and mobile phone subscribers (per 1 000 people)	1	7	18	84	72
Debt service (% of exports)	14	24	11	8	10
Sources: World Bank, World Development Indicators on line 2006. 2005 data on literacy, malnutrition, HIV seroprevalence, mortality, immunization, contraceptive prevalence, are taken from the results of the 2005 Rwanda DHS survey.					

Annex Table 5. Education Indicators

	1990	2000/01	2005	Sub-Saharan Africa	Low-Income Countries
Primary Education					
<u>Access Indicators</u>					
School-aged population, 7-12 (millions)		1.30	1.37	..	..
Total Enrolment (millions)	1.10	1.48	1.86	..	..
% girls	49.8	50.0	50.9	46.4	46.3
% enrolled in private schools	0.75	..	0.83	..	17.2
Out of school children, total (7-12)	..	..	104,061	..	..
Gross intake rate to Grade 1	96		206	110	122
Gross enrolment ratio (GER)	71	114	136	91	104
Gender Parity (female:male GER)	0.98	0.97	1.01	0.86	
Urban	..	124	..	..	..
Net enrolment ratios	67.4	83.5	92.4	63.7	78.3
Girls	..	82.4	93.7	60	76
Lowest region	..	66	..	..	..
<u>Input Indicators</u>					
Number of schools	..	2,142	2,295	..	..
Number of classrooms		27,339	29,748		..
Students:classroom	..	54	62	..	..
% classes double-shifting (gr 1-3)	..	..	92	..	..
Percent of teachers trained	..	63	87	73	..
Pupil:Teacher ratio	57	51	64	50	42
<u>Efficiency and Effectiveness Indicators</u>					
% Repeaters	12.4	31.8	17.7	10.9	6.4
Female	12.0	36.2	17.6	10.9	6.3
Drop-out rate (%)	..	14.2	18.1	..	..
Survival to grade 5	59.9	39.1	..	68.6	..
Female	58.9	39.9	..	64.1	..
Gross Primary completion rate (FTI method)	45.3	24.2	..	61.1	77.8
% passing national exam	..	26.0	..	..	..
% boys passing national exam	..	31.3	..	..	..
% females passing national exam	..	20.1	..	..	..
Secondary Education					
Transition rate from primary		42	..	60	..
Nbe of schools		376	553	..	..
Total enrolment		141,163	218,517	..	..
% private		43.5	41.2	..	41
% female		50.2	47.2	44	43
% female in public and subsidized		45.6	42.5	..	..
% female in private schools		56.3	53.9	..	..
Gross Enrolment Ratio		11.4	16.7	28.4	..
Gender Parity (female:male GER)		0.98	0.87	0.78	..
Pupil:teacher ratio		25.9	28.7	..	32
Repetition rate		14	8.7	13.4	5
% boys passing national exam		81	..	..	..
% girls passing national		71	..	..	..

Annex Table 5. Education Indicators (continued)

	1990	2000/01	2005	Sub-Saharan Africa	Low-Income Countries
Tertiary Education					
Total enrolment pub+pvt		12,802	27,787		
% public		68	48		
% female in public institutions		34	40	39.0	38.0
% female in private institutions		50	48		
Gross enrolment ratio		2.3	4.5	6.0	9.1
Range of Student: Administration ratio					
UNR			43		
KHI and KIST			10		
KIE			7		
ISAE			4		

Annex Table 6. Government Revenue and Expenditure, 2001-2006

	Budget					
	2001	2002	2003	2004	2005	2006
TOTAL REVENUE (RWF billions)	148.2	160.3	195.5	272.6	349.6	404.7
% of GDP	19.6	19.4	21.6	25.9	29.3	31.1
Domestic Revenue (RWF billions)	86.2	101.2	122.3	147.1	180.3	196.2
% of total Revenue	58.2	63.1	62.6	54.0	51.6	48.5
% of GDP	11.4	12.3	13.5	14.0	15.1	15.1
External Grants	62	59.1	73.1	126.7	169.3	171.8
% of total Revenue	41.8	36.9	37.4	46.5	48.4	42.4
% of GDP	8.2	7.2	8.1	12.0	14.2	13.2
TOTAL EXPENDITURE + NET LENDING (RWF billions)	158.1	174.6	216.0	274.9	340.7	404.7
Recurrent (RWF billions)	107.4	122.7	160.9	168.1	214.9	278.2
% Recurrent	67.9	70.3	74.5	61.1	63.1	68.7
Wages & salaries, % of total	24.6	23.3	20.4	17.6	15.0	15.3
Goods & Services, % of total	18.6	20.1	21.2	17.3	18.9	17.3
Interest payment, % of total	3.9	4.0	1.0	4.3	3.0	3.9
Subsidies and transfers, % of total	9.6	11.7	10.3	15.2	15.7	17.2
Exceptional expenditure, % of total	10.8	11.0	18.6	6.6	10.4	8.2
Other, % of total	0.4	0.2	3.1	0.0	0.0	7.0
Capital (RWF billions)	50.0	40.7	51.1	89.5	121.4	111.4
% Capital	31.6	23.3	23.7	32.6	35.6	27.5
Domestic	2.2	4.0	6.1	9.9	10.2	7.0
External	29.4	19.4	17.5	22.7	25.4	20.5
Net Lending (RWF billions)	0.5	0.6	4.0	17.3	4.4	15.1
% Net Lending	0.3	0.3	1.9	6.3	1.3	3.7
Memo items:						
GDP nominal RWF billions	754.3	825.0	905.3	1054.3	1192.2	1300.8

Sources: IMF On line data and PRGF reviews 2004, 2005, 2006; GOR MINECOFIN Budget Estimates for 2006

Annex Table 7. Education Expenditure

	Budgeted 2003	Actual 2004	Actual 2005	Budget 2006	Average 2003-06
TOTAL EDUCATION (RWF billion)	41.7	49.5	54.6	65.9	52.9
Total US\$ (millions)	72.9	87.5	98.5	116.7	93.9
Annual growth (nominal)		18.7	10.3	20.9	18.0
Annual growth (2002 constant)		15.2	15.3	22.7	17.5
% of GDP	4.6	4.7	4.6	5.1	4.7
% Total Revenue	21.3	18.1	15.6	16.3	17.8
% Public Expenditure	19.3	18.0	16.0	16.3	17.4
% Public Expenditure - interest	19.4	18.3	16.2	16.5	17.6
EDUCATION DEVELOPMENT EXPENDITURE (RWF billion)	7.8	8.9	8.3	10.0	8.7
% of total Government expenditure	3.6	3.2	2.4	2.5	2.9
% of total development expenditure	15.6	21.7	16.2	11.2	16.2
as % of Total Capital + Net Lending	15.3	9.9	6.8	7.9	10.0
as % of Total Education	18.7	17.9	15.2	15.2	16.7
% Externally Financed	92.6	91.4	63.8	64.9	78.2
EDUCATION RECURRENT (RWF billion)	33.9	40.6	46.3	55.9	44.2
Total US\$ millions	59.3	71.8	83.6	99.0	
Annual growth (nominal)		19.9	14.0	20.9	16.3
Annual growth (2002 constant)		16.4	19.2	22.7	24.4
as % of GDP	3.7	3.9	3.9	4.3	3.9
as % of Public Recurrent Expenditure	21.0	24.2	21.5	20.1	21.7
as % Public Recurrent Expenditure- interest	21.2	24.8	21.8	20.4	22.1
% of Total Education Expen	81.3	82.1	84.8	84.8	83.3
Distribution by Level of Education % of total education					
Pre-Primary and Primary	40.8	39.3	45.1	44.5	42.4
Secondary	17.7	19.8	17.9	20.1	18.9
Tertiary	35.1	34.5	30.6	28.7	32.2
Research, Science and Technology	1.8	1.6	1.2	1.8	1.6
Other Levels of Education	0.0	0.3	1.4	3.2	1.2
MINEDUC	4.6	4.4	3.8	1.7	3.6
Total	100	100	100	100	100
Functional Distribution as % of total education					
Salaries and Benefits	70.2	67.9	64.9	53.4	64.1
Goods and Services	16.0	18.6	23.7	30.3	22.2
Transfers to students	13.8	13.5	11.4	16.4	13.8
Total	100	100	100	100	100

Note: Total Education expenditure includes education expenditure under the Ministries of Education and Local Government.

Sources: Government budget books for 2003 and 2006; outturns for 2004 and 2005.

Annex Table 7. Education Expenditure (continued)

	2003	2004	2005	2006	2003-06
Pre-Primary and Primary	100	100	100	100	100
Salaries and benefits	84.2	83.6	71.5	57.2	74.1
Goods and Services	15.8	16.4	28.5	42.8	25.9
Transfers	0.0	0.0	0.0	0.0	0.0
Secondary	100	100	100	100	100
Salaries and benefits	64.8	55.4	66.5	54.5	60.3
Goods and Services	35.2	44.6	33.5	24.5	34.5
Transfers	0.0	0.0	0.0	21.0	5.3
Tertiary	100	100	100	100	100
Salaries and benefits	58.4	59.4	57.1	55.6	57.6
Goods and Services	2.1	1.6	6.1	2.2	3.0
Transfers	39.5	39.0	36.8	42.2	39.4
ow/ internal scholarships	66.8	65.5	60.0	71.6	66.0
ow/ external scholarships	33.2	34.5	40.0	28.4	34.0
Recurrent Expenditure Per Student					
Primary	16,090	17,391	22,079		18,520
Secondary (public and subsidized)	57,351	66,518	64,639		62,836
Tertiary domestic student	797,997	901,456	907,526		868,993
In US\$					
Primary	28	31	40		33
Secondary (public and subsidized)	100	118	117		112
Tertiary domestic student	1,397	1,594	1,639		1,543
As a multiple of GDP per capita					
Primary	0.16	0.15	0.17		0.16
Secondary (public and subsidized)	0.6	0.6	0.5		0.5
Tertiary domestic student	7.7	7.6	6.9		7.4
As a multiple of primary					
Secondary (public and subsidized)	3.6	3.8	2.9		3.4
Tertiary domestic student	50	52	41		48
Salary expenditure per school staff as a multiple of GDP per capita					
Primary	4.4	4.2	4.2		
Secondary (public and subsidized)	9.7	8.9	9.6		
Tertiary total staff salary expenditure			34		
Tertiary average academic staff salary 2006		Nbe Teaching Staff	Gross Annual Salary RWF	Average salary in US\$	As multiple of GDP per capita
Total		937	5,746,866	10,171	41.0
UNR		425	6,128,865	10,848	43.7
SFB		54	5,865,505	10,381	41.8
KIST		223	5,506,778	9,747	39.3
KHI		71	4,939,367	8,742	35.2
ISAE		55	5,595,402	9,903	39.9
KIE		109	5,292,250	9,367	37.7

Annex Table 8. LTSFF Key Performance Indicators and FTI Benchmarks

Primary	FTI benchmarks	2006	2007	2008	2009	2010	2015
<i>Access and Efficiency</i>							
Gross Grade 1 entry rate a/	100	150			125		100
Enrolment (millions)		1.9	2.0	2.1	2.1	2.0	1.9
% private	10	0.8	0.8	0.8	0.8	0.8	0.8
% female	50	50.9	50.8	50.8	50.8	50.8	50.8
Gross enrolment ratio	..	140	141	142	142	137	107
Repetition rate	<10	14.6	13	11	10	8	3
Drop-out rate	..	11.6	10	8	5	5	2
Gross completion rate (FTI method) b/	100	65	84	94	119	133	112
<i>Service Delivery</i>							
Class size		51	50	50	50	49	45
Student: teacher ratio		60	59	57	56	53	42
Student: core textbook ratio							
Nbe of teachers (civil service)		32488	34198	35809	37382	39274	44,435
Nbe new teachers needed (smoothed)		2684	2638	2647	3013	2521	1,033
Nbe teachers produced through TTCs		1,715	1,800	1,891	2,269	3,176	2,439
Minimum Deficit		-871	-785	-695	-317	590	534
Teacher salary (% of GDP per capita)	3.5	3.2	3.8	3.8	3.8	3.8	3.8
Cost of classroom construction	US\$ 8000	9,821	10,214	10,623	11,048	11,490	13,979
New classrooms + rehabilitation		1,796	1,796	1,796	1,796	1,796	1,565
Lower-Secondary							
Transition rate from primary		47	49	44	45	48	75
Total enrolment (including private)		170,028	189,144	213,473	247,367	287,971	525,499
% private		38	37	35	32	30	23
% boarding in public schools		41	35	30	25	21	8
Gross enrolment ratio		26	29	32	37	42	69
Class size (public schools)		47	46	46	46	46	45
Student teacher ratio		30	30	30	30	31	32
Nbe of teachers (civil service)		3294	3615	4074	4744	5665	10,940
Nbe new teachers needed (smoothed)		1,077	1,077	1,077	1,077	1,077	1,077
Nbe teachers produced through TTCs		0	0	760	1520	2280	1754
Minimum deficit		-1077	-1077	-317	443	1203	958
Upper Secondary							
Transition rate from lower secondary		85	67	65	62	58	46
Total enrolment		84,668	88,685	93,449	99,402	106,675	165,282
% private		53	51	49	47	44	30
% boarding in public schools		69	66	63	60	55	40
Gross enrolment ratio		13	14	14	15	16	24
Class size (public schools)		40	40	40	40	40	40
Student teacher ratio		26	26	26	27	27	27
Tertiary Education							
Total public enrolment (Domestic)		15,247	15,613	15,957	16,276	16,601	18,329
Total private enrolment (Domestic)		11,433	11,776	12,130	12,493	12,743	14,070
Total overseas enrolment		605	605	605	605	605	605

a/ Defined as students enrolled in grade 1, net of repeaters, as a % of population of official entry age.

b/ Defined as students in the final grade as a percentage of the population of official graduation age.

Annex Table 9. ODA To Education & General Budget Support (US\$ millions), Calendar Year: Donor Reported

		Disbursed	Commitments				
		2005	2006	2007	2008	2009	2010
Support to Education Sector		27.8	34.2	32.1	21.8	13.0	11.4
Belgium /VVOB	KHI/Nursing	2.4	0.2	0.3	0.1		
Belgium /VVOB	School Management	0.5	0.2	0.2			
Belgium /VVOB	Secretarial Studies	0.3	0.1	0.2			
Belgium /VVOB	Teacher Training/KIE	0.3	0.2	0.1			
Belgium /VVOB	Vocational Education	0.2	0.2	0.2			
Belgium / BTC / APEFE	Support to Nursing Schools	0.2	0.3	0.3	0.1		
Belgium / BTC / VVOB	Vocational Training of Adults		0.1	0.3	0.3	0.2	
Belgium / BTC	Support to MINEDUC	0.2	0.9	2.1	1.9		
Belgium / BTC	Secondary School Construction	1.6	3.3	2.8			
Belgium	Joint Ed Sec Support (SBS)		2.2	2.2			
CIDA	Centres de formation	0.3	0.4				
DfID	Rwanda Ed Sector Support	6.6	8.7				
DfID	Joint Ed Sec Budget Support (SBS)		4.5	4.9	4.9	4.9	4.9
French Cooperation	French Teaching		0.4				
JICA	TVET		0.1	0.3	0.1		
JICA	Teacher training Secondary		0.1	0.2	0.1		
Japan	Counterpart value /non-project support		2.5				
France	Sector Budget Support (SBS)			1.1	1.1	1.1	1.1
GTZ	Teacher Ed/KIST	0.4	0.2				
FAO	School gardens	0.2	0.1				
UNICEF	ECD, Primary	1.1	1.3	1.1	1.1	1.1	1.1
WFP	Food Program	5.8	6.9	6.9			
ADB/ADF	EDIII	0.9	2.4				
ADB/ADF	Education Sector Budget (SBS)			4.5	7.2	5.7	4.3
World Bank/IDA	Human Resource Dev Program	6.8	1.6	5.3	5.3		
General Budget Support to GOR		140.7	157.8	165.7	78.9	94.4	94.4
DfID	Poverty Reduction BS	55.8	55.8	55.8	55.8	55.8	55.8
ADB/ADF	Poverty Reduction BS		24.0	20.0			
EC	Poverty Reduction BS	19.9	23.0	23.0	23.1	38.6	38.6
World Bank/IDA	Poverty Reduction BS	65.0	55.0	55.0			
SIDA	Poverty Reduction BS			10.1			
Germany	Budget Support			1.8			

Note: For GBS disbursed, If disbursed in December, the amount is recorded in the following calendar year.

Belgium VVOB- Amounts recorded in 2006 are commitments

EC figures for 2008 -2010 are indicative only.

Annex Table 10. Estimates of External Aid to Education, 2006-2010

	2005	2006	2007	2008	2009	2010
<i>Project and Sector Budget Support US \$ millions</i>	<u>27.8</u>	<u>34.2</u>	<u>32.1</u>	<u>21.8</u>	<u>13.0</u>	<u>11.4</u>
Bilateral	13.0	24.4	14.5	8.2	6.1	6.0
Multilateral	14.7	12.3	17.6	13.6	6.8	5.4
Sector Budget Support	0.0	6.7	12.5	13.1	11.7	10.3
Project Support	27.8	27.5	19.6	8.7	1.3	1.1
<i>General Budget Support Notionally Allocated to Education</i>	<u>22.9</u>	<u>25.7</u>	<u>27.0</u>	<u>25.1</u>	<u>27.6</u>	<u>27.6</u>
Bilateral	9.1	9.1	11.0	9.1	9.1	9.1
Multilateral	13.8	16.6	16.0	16.0	18.5	18.5
<i>TOTAL EDUCATION</i>	<u>50.7</u>	<u>59.9</u>	<u>59.1</u>	<u>46.9</u>	<u>40.6</u>	<u>39.0</u>
Memo items:						
Total General Budget Support	140.7	157.8	165.7	153.9	169.4	169.4
Bilateral	55.8	55.8	67.7	55.8	55.8	55.8
Multilateral	84.9	102.0	98.0	98.1	113.6	113.6
Note: The totals assume constant level of budget support from multilaterals.						

Annex Table 11. Estimated Costs, Resources, and Financing Gap, 2007-2015

	2006	2007	2008	2009	2010	2015
Total GoR budget (RWF millions)	411,233	394,174	400,091	421,991	436,050	520,093
Of which external financing (RWF millions)	186,197	186,197	186,197	186,197	186,197	186,197
External resources as % of total government budget	45	47	47	44	43	36
Domestic revenue as % of GDP	15.1%	15.1%	15.1%	15.1%	15.1%	15.1%
Total Expenditure/Cost (RWF millions)	63,416	91,609	102,064	110,178	118,255	148,086
US\$ millions	113	164	182	197	211	264
Recurrent (MTEF)	53,414	70,269	79,620	86,894	93,229	120,330
Development (construction)	7,002	18,340	19,443	20,284	22,026	24,756
Development (TA, expat salaries, other projects)	3,000	2,850	2,708	2,572	2,444	1,891
Total Resources for Education (RWF millions)	65,945	79,994	64,350	66,845	69,263	87,721
Recurrent budget ceiling (domestic + budget support)	55,943	67,380	51,548	53,341	55,310	72,118
Development budget (civil works)	7,002	9,614	9,803	10,504	10,954	12,603
Development budget (TA, expat salaries, other projects)		2,850	2,708	2,572	2,444	1,891
Financing Gap Estimates (estimated costs - estimated resources)						
Scenario 1. Base Case (RWF millions)		11,615	37,713	43,334	48,992	60,365
US\$ million		21	67	77	87	108
Scenario 2. Reduces tertiary subsidies to 50% of students (US \$ million)		21	58	70	81	88
Scenario 3. Reduces VET & Technical Education 50%		19	56	66	77	84
Financial Indicators: Scenario 1						
Recurrent as % of Financing gap		84	80	80	80	82
Education as % of GoR budget	16	20	16	16	16	17
Education as % of GoR budget (if financing gap filled)	17	23	25	26	27	28
Education as % of GDP	5.1	5.8	4.4	4.3	4.2	4.0
Education as % of GDP (if financing gap filled)	5.4	6.5	6.9	7.0	7.1	6.6
Financial Indicators Scenario 2						
Recurrent as % of Financing gap		84	80	80	80	82
Education as % of GoR budget	16	20	16	16	16	17
Education as % of GoR budget (if financing gap filled)	17	23	24	25	26	27
Education as % of GDP (if financing gap filled)		23	24	25	26	27
Percentage Distribution of Recurrent Expenditure: Scenario 1						
Primary	45	44	48	50	50	47
Lower secondary/ upper basic	12	13	12	12	13	18
Upper secondary	5	6	5	5	5	7
Teacher education	1	1	1	1	1	0
Technical education	1	1	1	1	1	1
Vocational education	1	1	1	2	2	2
Higher education	30	29	26	23	22	20
Adult literacy	1	1	1	1	1	0
Institutional support	4	5	4	4	4	3
Distribution of Recurrent Expenditure: Scenario 2						
Primary	45	44	51	53	52	49
Lower secondary/ upper basic	12	13	13	13	13	19
Upper secondary	5	6	6	5	6	8
Higher Education	30	29	21	19	19	17

Annex Table 11. Estimated Costs, Resources, and Financing Gap, 2007-2015 (Continued)

Recurrent expenditure per student						
Primary (RwF)	12,302	15,337	18,604	20,762	22,937	30,936
in US \$	22	27	33	37	41	55
Percent salary expenditure	66	58	52	51	52	57
Lower secondary/ upper basic (RwF)	61,261	75,214	69,702	64,174	59,939	58,377
in US \$	109	134	124	115	107	104
Percent salary expenditure	49	41	46	51	56	63
Upper secondary	72,259	93,114	89,934	85,100	82,948	78,270
in US \$	129	166	161	152	148	140
Percent salary expenditure	55	44	48	53	58	59
Tertiary Education	1,050,404	1,305,124	1,277,051	1,240,619	1,260,815	1,328,671
in US \$	1,876	2,331	2,280	2,215	2,251	2,373
Reduced Tertiary Expenditure	1,050,404	1,305,124	988,578	989,825	1,034,570	1,063,391
in US \$	1,876	2,331	1,765	1,768	1,847	1,899
Distribution of Capital Expenditure						
pre-primary	0	0	0	0	0	0
primary	37	32	32	32	31	37
tronc commun	25	22	22	25	26	28
upper secondary	7	7	7	9	11	19
teacher education	0	8	6	2	2	0
technical education	0	3	3	3	3	3
vocational education	0	1	1	3	3	1
higher (expatriate salaries)	13	8	7	7	6	3
higher (construction and labs)	0	6	9	8	8	2
non-formal	0	0	0	0	0	0
institutional support	18	0	0	0	0	0
estimated other off plan projects	0	14	13	12	10	7
Memo Items:						
GDP (RwF millions)	1300800	1378848	1461579	1549274	1642230	2197674
GDP growth (nominal)	6%	6%	6%	6%	6%	6%
population (in millions)	9	9	9	9	10	11
GDP per capita (RwF)	151653	156444	161369	166444	171690	201313
domestic revenue (RwF millions)	196177	207977	220486	233747	247806	331849
external resources	215056	204153	191799	195516	194606	194606
total recurrent budget	278236	270974	275041	290096	299761	357536
total development budget	126502	123200	125049	131894	136288	162556