

**Mid-Term Evaluation of the EFA Fast Track Initiative**

# **Country Desk Study: Rwanda**

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## Summary information for Rwanda

- Currency = Rwandan Franc (RWF)
- Exchange Rate (31 July 2009) USD 1 = RWF 569.18
- Fiscal Year = January – December
- School year = September – June
- Structure of education system: 6-year primary cycle, a 3-year *tronc commun* (TC-lower secondary) cycle, a 3-year upper secondary cycle, and a 4-year higher education cycle in most fields.
- Population: 9.7 million
- Population growth rate: 2.8%

### Acknowledgements

The evaluation team would like to express its gratitude to the Ministry of Education in Rwanda, whose staff at all levels gave generously of their time. They would also like to thank all those persons interviewed who provided valuable input to the study.

Findings and opinions in this report are those of the evaluation team and should not be ascribed to any of the agencies that sponsored the study.

## **Preface**

The Fast Track Initiative (FTI) is linked both to the Education for All (EFA) goals and to the Millennium Development Goals (MDGs). The FTI was launched in 2002, and by 2009 had been running for half its expected lifetime. The FTI partnership recognised the need to evaluate whether it is achieving the goals it has set itself. The evaluation was intended to provide an opportunity for reform and change where necessary.

As stated in the Terms of Reference:

The main purpose of the evaluation is to assess the effectiveness of FTI to date in accelerating progress towards achievement of EFA goals in participating countries, with particular attention to country movement towards universal primary completion (UPC). The evaluation will also assess FTI's contributions to improving aid effectiveness at both the country and global levels.

The evaluation was required to draw lessons learned from the FTI's strengths and weaknesses and to make recommendations to further improve future partnership programming and effectiveness.

The evaluation took place between November 2008 and February 2010. It was independent but jointly supported by a consortium of donors. An Evaluation Oversight Committee (EOC) was made up of representatives from the donor community, partner countries and civil society.

The evaluation team was a consortium of three companies Cambridge Education, Mokoro and Oxford Policy Management (OPM). The methodology and process for the evaluation are described in Appendix V (Volume 4) of the final synthesis report.

The main outputs of the evaluation, which included nine country case studies and eight desk studies, are listed overleaf. Rwanda was one of the desk studies. The desk studies were not researched in the same depth as full country case studies (which typically included a two-week field visit by a team of three or four evaluators). They were based on the relevant literature which can be accessed without visit to the country (including the FTI Secretariat archives for the country in question, plus a standard set of aid data derived from the OECD DAC records). The desk study authors were individuals already familiar with the methodology of the evaluation and with the country concerned. Authors could consult one or two key informants (by phone or email) for clarification or to get the latest available documents etc.

In the case of Rwanda, the author was able to draw on considerable previous experience in country. She also benefited from considerable support from the local DFID office, in particular Richard Arden and Iris Uyttersprot. Previous work by the author on Sector Budget Support in the education sector also provided valuable material.

## Main Outputs of the Evaluation

All the following reports can be downloaded from [www.camb-ed.com/fasttrackinitiative/](http://www.camb-ed.com/fasttrackinitiative/).

### EVALUATION FRAMEWORK

*The Evaluation Framework: Evaluation Team Guidelines on Process and Methodology.* Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM, 2009.

### PRELIMINARY REPORT

*Preliminary Report.* Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM, 25 May 2009.

### FINAL SYNTHESIS REPORT

*Final Synthesis Report: Volumes 1–5.* Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM, February 2010.

### FULL COUNTRY STUDIES

- Burkina Faso *Burkina Faso Country Case Study.* Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and, OPM. Mailan Chiche, Elsa Duret, Clare O'Brien, and Serge Bayala, February 2010.
- Cambodia *Cambodia Country Case Study.* Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Ray Purcell, Abby Riddell, George Taylor and Khieu Vicheanon, February 2010.
- Ghana *Ghana Country Case Study.* Mid-Term Evaluation of the EFA Fast Track Initiative: Cambridge Education, Mokoro and OPM. Terry Allsop, Ramlatu Attah, Tim Cammack and Eric Woods, February 2010
- Kenya *Kenya Country Case Study.* Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Anne Thomson; Eric Woods, Clare O'Brien and Eldah. Onsomu, February 2010.
- Mozambique *Mozambique Country Case Study.* Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Ann Bartholomew, Tuomas Takala, and Zuber Ahmed, February 2010.
- Nicaragua *Nicaragua Country Case Study.* Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Muriel Visser-Valfrey, Elisabet Jané, Daniel Wilde, and Marina Escobar, February 2010.
- Nigeria *Nigeria Country Case Study.* Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Nick Santcross; Keith Hinchliffe, Anthea Sims Williams; Sulliemman Adediran and Felicia Onibon. February 2010.
- Pakistan *Pakistan Country Case Study.* Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Stephen Lister, Masooda Bano, Roy Carr-Hill and Ian MacAuslan. February 2010.
- Yemen *Yemen Country Case Study.* Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, OPM and Mokoro. Elsa Duret, Hassan Abdulmalik, and Stephen Jones, February 2010.

### COUNTRY DESK STUDIES

- Ethiopia *Ethiopia Country Desk Study.* Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Catherine Dom, February 2010.
- Malawi *Malawi Country Desk Study.* Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Georgina Rawle, February 2010
- Mali *Mali Country Desk Study.* Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Mailan Chiche, February 2010.
- Moldova *Moldova Country Desk Study.* Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Clare O'Brien, February 2010.
- Rwanda *Rwanda Country Desk Study.* Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Mailan Chiche, February 2010.
- Uganda *Uganda Country Desk Study.* Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Ray Purcell, February 2010
- Vietnam *Vietnam Country Desk Study.* Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Ann Bartholomew, February 2010.
- Zambia *Zambia Country Desk Study.* Mid-Term Evaluation of the EFA Fast Track Initiative. Cambridge Education, Mokoro and OPM. Ann Bartholomew, February 2010.

## Abbreviations and Acronyms

AfDB	African Development Bank
APEIE	Africa Program on Education Impact Evaluation
AOP	Annual Operational Plan
BNR	<i>Banque Nationale du Rwanda</i>
BSHG	Budget Support Harmonisation Group
BTC	Belgian Technical Cooperation
CDF	Common Development Fund
CF	Catalytic Funds
CHE	Council for Higher Education
CIDA	Canadian International Development Agency
CIF	Country Information Fiche
CNDP	National Curriculum Development Centre - Centre National de Developpement des Programmes
CNER	National Examinations Council
CPAF	Common Performance Assessment Framework
CSR	Country Status Report
CWIQ	Core Welfare Indicator survey
DFID	Department for International Development (UK)
DPAF	Donor Performance Assessment Framework
DPCG	Development Partners Coordination Group
DPF	Development Partners Meeting
DPO	Development Policy Operation
EC	European Commission
EDPRS	Economic Development and Poverty Reduction Strategy
EFA	Education for All
EICV	Household Survey ( <i>Enquête Intégrale sur les Conditions de Vie des Ménages</i> ). EICV1 – conducted in 2000–01; EICV2 – in 2005–06
EMIS	Education Management Information System
EPDF	Education Programme Development Fund
EQR	External Quality Review
ESDG	Education Sector Donors Group
ESP	Education Sector Policy
ESSP	Education Sector Strategic Plan
FARG	<i>Fonds d'Appui aux Rescapés du Génocide (Genocide survivors' Fund)</i>
FTI	Fast Track Initiative
GBS	General Budget Support
GDP	Gross Domestic Product
GER	Gross Enrolment Ratio
GIS	Geographic Information System
GOR	Government of Rwanda
GTZ	German Agency for Technical Cooperation
HACT	Harmonised Approach to Cash Transfer
HEI	Higher Education Institutions
HIDA	Human Resource and Institutional Capacity Development Agency
HIPC	Heavily Indebted Poor Country
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
HLI	Higher Learning Institute
HRDP	Human Resource Development Project
ICT	Information and Communication Technology
IGE	Inspector(ate) General of Education
IMF	International Monetary Fund
IRST	<i>Institut de la Recherche Scientifique et Technologique</i>
ISAE	<i>Institut Supérieur d'Agronomie et d'Elevage</i>
ISFP	<i>Institut Supérieur des Finances Publiques</i>
JBSR	Joint Budget Support Review
JESS	Joint Education Sector Support Programme
JICA	Japan Internal Cooperation Agency
JRES	Joint Review of the Education Sector

KHI	Kigali Health Institute
KIE	Kigali Institute of Education
KIST	Kigali Institute of Science and Technology
LTSFF	Long Term Strategy and Financial Framework
M&E	Monitoring and Evaluation
MDG	Millennium Development Goals
MDTF	Multi-Donor Trust Fund
MEFP	Memorandum of Economic and Financial Policies
MIFOTRA	Ministry of Public Service, Skills Development, & Labour
MINALOC	Ministry of Local Government, Good Governance and Social Affairs and
MINECOFIN	Ministry of Finance and Economic Planning
MINEDUC	Ministry of Education
MTEF	Medium Term Expenditure Framework
NCDC	National Curriculum Development Centre
NCHE	National Council for Higher Education
NEC	National Examinations Council
NER	Net Enrolment Ratio
NFE	Non-Formal Education
NGO	Non-Governmental Organisation
NIS	National Institute of Statistics
NISR	National Institute of Statistics of Rwanda
NETF	Norwegian Education Trust Fund
NUR	National University of Rwanda
OAG	Office of the Auditor General
ODA	Official Development Assistance
OVC	Orphans & Vulnerable Children
P1 etc	Primary year 1
PASEC	<i>Programme d'analyse des systèmes éducatifs de la Conférence des ministres de l'éducation des pays ayant le français en partage</i>
PBET	Post Basic Education and Training
PCR	Primary Completion Rate
PEFA	Public Expenditure and Financial Accountability
PER	Public Expenditure Review
PFM	Public Financial Management
PPCDU	Policy, Planning and Capacity Development Unit
PRSC	Poverty Reduction Support Credit
PRSG	Poverty Reduction Support Grant
PRSP	Poverty Reduction Strategy Paper
PTA	Parent-Teacher Association
PTR	Pupil Teacher Ratio
RNEC	Rwanda National Examination Council
RWF	Rwandan Franc
SACMEQ	Southern African Consortium for Monitoring Educational Quality
SAGA	Semi-Autonomous Government Agency
SEIA	Secondary Education in Africa
SBS	Sector Budget Support
SFAR	Student Financing Agency of Rwanda
SG	Secretary General (Permanent Secretary)
Sida	Swedish international development agency
SMC	School Management Committee
STR	Student-Teacher Ratio
SWAp	Sector-Wide Approach
TC	Tronc Commun (Lower Secondary cycle, now Upper Basic education cycle)
ToR	Terms of Reference
TSC	Teachers Service Commission
TTC	Teacher Training College
TVET	Technical and Vocational Education and Training
UK	United Kingdom
Unicef	United Nations Children's Fund
UNWFP	United Nations World Food Programme

UPC	Universal Primary Completion
UPE	Universal Primary Education
US	Upper Secondary cycle;
USD	United States Dollar
WB	World Bank

**NB:** Some abbreviations and acronyms are not available in English. Therefore the French version is used.

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## Executive Summary

### Basic education in Rwanda

S1 Following the genocide of 1994, the education sector in Rwanda entered a state of emergency reconstruction of sector institutions and emergency donor support. From 1997 onwards, key institutions in the sector were set up. In 2003, following preparation work over the previous two or three years, the Ministry of Education (MINEDUC) adopted its Education Sector Policy (ESP) and launched its 5-year Education Sector Strategic Plan (ESSP), which has been updated yearly since then. In 2006, a ten year Long Term Strategy and Financing Framework (LTSFF) was developed covering 2006–2015. Fee free primary education was introduced in 2004 for primary, and in 2006 for lower secondary. In 2009, MINEDUC initiated an acceleration of the 9-year basic education policy.

S2 As early as 2003, Rwanda's enrolment rates for primary education were already substantially higher than the averages for low-income countries in sub-Saharan Africa. The policy of fee free education accelerated primary enrolment even further, bringing the Gross Enrolment Rate (GER) to 128% and the Net Enrolment Rate (NER) to 94% in 2008 with a higher rate for girls than boys. Completion rates have been improving steadily since 2000 but remain quite low still at 53%, while drop-out rates have decreased from 16.6% in 2001 to 13.9% in 2007 and repetition rates from 21% in 2002 to 17.7% in 2007 but remain high. In parallel, teacher recruitment has been limited, and the pupil-teacher ratio has increased from 51 in 2000 to 74 in 2007.

S3 Within Government and among development partners, the education sector is widely regarded as the first sector to have developed a Sector-Wide Approach (SWAp). The Joint Review of the Education Sector (JRES) is held annually, and meetings of the education cluster take place quarterly. The Department for International Development (DFID) is currently the lead donor, and has been since 2003. In terms of aid modalities, there has been a gradual and highly significant shift from projects to sector budget support. On January 1<sup>st</sup> 2006, the Joint Education Sector Support (JESS) programme was signed. It provides a joint framework for sector budget support to education and set up a capacity building pooled fund for the education sector. In 2006, MINEDUC and education donors signed a memorandum of understanding which defines a set of partnership principles for alignment and harmonisation. The number of donors providing Sector Budget Support (SBS) progressively reached 7 in 2008, and the proportion of SBS has risen from 0% to 90% of total education external funding between 2005 and 2008.

S4 The education sector budget has been following an upward trend since 2002, in absolute terms, and as a percentage of Gross Domestic Product (GDP) and the total budget. The education budget is now stabilising around 15% of the total budget, and 4–5% of GDP. Recurrent expenditure on education has fluctuated between 20–25% of government recurrent spending in the past few years. The share of primary and pre-primary has increased significantly from a low of 18% of the total budget in 2004 to 43% in 2007. In parallel, the share of higher education has dropped, from 49% of the total education sector budget in 2004 to 14% in 2009.

## Overview of the FTI in Rwanda

S5 Early in 2006, Rwanda expressed interest to join the Initiative, based on its recently adopted ESSP. In September 2006, donors transmitted to the FTI Partnership their positive appraisal of the ESSP and LTSFF, and the request for Catalytic Fund (CF) assistance in mobilising USD 26m in 2007, USD 61m in 2008, USD 65m in 2009, and USD 71m in 2010. In November 2006, the CF Steering Committee approved a grant of USD 26m for 2007, and USD 44m for 2008. In September 2007, a grant letter of agreement was signed between the World Bank (WB) and Government of Rwanda (GOR) for the 2007 grant. Rwanda was the first country to receive the FTI support through full-fledged Sector Budget Support. Nevertheless, despite the fact that funds are channelled as Sector Budget Support, the model for the letter of agreement was based on an investment lending project, since no instrument for the provision of SBS was available under WB supervision. The first of the two 2007 tranches (USD 13m) was disbursed in early 2007, and the second one in early 2008. Delay was mainly due to the requirement for a specific audit of education expenditure before the disbursement of the second tranche, as specified in the letter of agreement.

S6 In September 2008, an amendment to the letter of agreement was signed by GOR and the WB, to include the 2008 CF funding in two tranches of USD 22m each. The tranches were disbursed respectively in October and December 2008.

S7 The local donor group endorsed a 2009–2010 bridging grant application and attached key documentation in March 2009. In addition to local donors' appraisal, a newly introduced External Quality Review (EQR) was carried out in March 2009 to assess the request to the CF Steering Committee. The CF Steering Committee approved a one-year bridging grant of USD 35m for Rwanda in April 2009. The WB remains the supervising entity, but the modality is changed to a Development Policy Operation (DPO), which became available to provide SBS following the revised FTI modality guidelines. Rwanda is the second country to benefit from the FTI CF support through a DPO under WB supervision, after Burkina Faso.

S8 The Norwegian Education Trust Fund (NETF) disbursed a total of USD 361,000 in support to Rwanda over its existence (1998–2005), financing in particular the 2003 Country Status Report (CSR). The Education Programme Development Fund (EPDF) has allocated approximately USD 600,000 in support to Rwanda between 2006 and 2008. This has contributed to financing in 2008 the participation in a FTI Capacity Development workshop, and the evaluation of the impact of teacher contractualisation. It is also expected to finance the update of the Country Status Report – potentially in preparation of a future DPO for 2010–2012.

## FTI and Education Policy and Planning

S9 FTI's influence on education policy and planning in Rwanda has been mainly (i) in terms of process, through the requirement for the LTSFF to be developed in 2006, providing a 10-year framework and thorough costing for the sector strategy, and through the requirement for an appraisal of the Education Sector Plan (ESP) in 2006 by the local donor group; (ii) in terms of content, through the Indicative Framework (IF) indicators and benchmarks, and through the EPDF funding for impact evaluation of contractual teachers; (iii) in terms of financing, through the support provided by the CF in 2007, 2008 and 2009.

S10 The requirement for the LTSFF to be developed – which was considered by representatives of the Ministry of Education and local donors as a requirement for FTI endorsement – was a high transaction cost process, parallel to the existing planning framework (ESSP), and beyond the generally agreed requirements for CF funding. It was rushed over the period of a few months, and implied a comprehensive revision of the ESSP targets and costing. Nevertheless, the thorough requirements on the quality and degree of

detail of the costing did push MINEDUC to strengthen the quality of its costing and strengthen the link between objectives, strategies, plans and costs. Both the appraisal and the fact that the FTI CF support was provided using SBS modality have also contributed – along with other factors – to a strengthening of the quality of education sector dialogue and planning processes.

S11 The FTI – through the IF indicators, the appraisal process and the study financed by the EPDF – has contributed to an enhanced focus on the issues of completion and teacher management and motivation. These issues were of particular relevance to the situation in Rwanda, but it should be recognised that the FTI processes have merely contributed to an existing dynamic.

S12 The issue of teachers' salaries was not a major focus of the discussion during the appraisal in 2006, since salary expenditure per teacher is in line with the IF benchmark. FTI's contribution on the issue of teacher numbers and pay has however been significant. CF funding, along with SBS by other donors, has provided the financial support which has allowed a significant increase in the capitation grant in 2007 and 2008. In turn, this has allowed the hiring of contractual teachers (more than 1,000 contractual teachers hired in 2007 and 1,968 teachers in 2008), which has helped to improve the pupil-teacher ratio from 74:1 in 2007 to 65:1 in 2008. It has also allowed the provision to each teacher of an allowance ("bonus") which has provided a significant increase in teachers' income. However, many of the achievements of the capitation grant with respect to improving the motivation of teachers reflect a broader failure to address the problems of low teacher remuneration and limited increase in the teacher payroll.

S13 CF funding has also contributed to a significant increase in the rate of classroom construction, and procurement of textbooks since 2007.

S14 It should be noted that recent (2009) government decisions to accelerate progress towards universal 9-year basic education are not related to the FTI but to an internal dynamic promoted by the adoption of the 2008–2012 Economic Development and Poverty Reduction Strategy (EDPRS). The FTI CF support request for 2009 nevertheless takes into account the financial impact of the "fast tracking" of nine-year basic education.

S15 Finally, with regard to sustainability, three potential issues represent a risk for the current positive evolution in the long term: (i) a disagreement between local donors and government on the policy implications of the fast tracking of the 9-year basic education could undermine the currently high level of trust, quality of dialogue and strength of the partnership between GOR and donors; (ii) the issue of teacher management, pay and motivation will need to be addressed as a whole; and (iii) the lack of predictability of SBS and CF funding in the medium to long term could restrict policy decisions with a significant long term effect on recurrent costs.

### **FTI and the Financing of Education**

S16 Key FTI inputs in the area of financing are: (i) the requirement to develop costing projections in order to assess the financing gap which led to the preparation of the LTSFF; (ii) the stimulus provided by IF benchmarks to the debate and definition of the financing framework, in particular for inter- and intra-sectoral resource allocations; (iii) the financial support from the Catalytic Fund and EPDF. The FTI CF resources represented in 2007 and 2008 respectively 40% and 70% of the total amount of SBS, and an estimated 50% in 2009.

S17 The financing gap calculated in the LTSFF, and used as a basis for the 2007 and 2008 CF support, takes into account the whole education sector, excluding science, technology and research which fall under a separate ministry. This financing gap was updated in 2009 in order to prepare the request for the bridging gap to the CF, taking into

account the fast tracking of nine-year basic education and higher than foreseen inflation. In both cases, the FTI CF support did not fill the financing gap as estimated in the request. In 2008, this was due to the CF Steering Committee's concern to avoid crowding out additional aid to the sector, therefore endorsing a smaller amount than requested. In 2009 the amount requested did not cover the entire financing gap. The CF Steering Committee did endorse the amount requested, but the latter had been minimised. It was calculated to cover the financing gap for basic education only, and was based on an estimate (by the local donor group) of what would be acceptable for the CF Steering Committee.

S18 *Mobilisation of internal resources.* The LTSFF financing framework (which is in line with IF benchmarks) was used during the preparation of the EDPRS financing framework, and serves as a reference for the Ministry of Finance and Economic Planning (MINECOFIN) when preparing envelopes per ministry, as it was understood as some sort of conditionality for access to the FTI CF funding. In addition, the mere size of the FTI funding compared to the education and primary education budget makes its impact on the levels of budget allocated to education undeniable, even if it was only notionally earmarked. It is nevertheless also important to note that the biggest increase in the budget of the education sector took place in 2005, prior to the significant increase in the provision of SBS (and the FTI CF funding), and probably in relation to the increase in General Budget Support (GBS) since 2004.

S19 *Balance between sub-sectors.* The appraisal of the ESSP and LTSFF by local donors in 2006, and the ensuing discussion on the financing framework and financing gap gave great emphasis on the issue of the over-financing of higher education. In addition to the LTSFF and the appraisal process, FTI's contribution to the intra-sectoral allocation balance came from the notional earmarking of CF support to basic education. Besides, SBS as a whole has contributed to a significant increase in key budget lines since 2007 such as the capitation grant, textbooks, and teacher training. Since the capitation grant is a direct transfer from Treasury to each primary and lower secondary school, the increased levels of SBS have contributed to the increased decentralisation of the education budget.

S20 *Mobilisation of external resources.* Actual donor support – and in particular SBS – was much higher than foreseen in the 2006 appraisal, both for 2007 and 2008. Overall, these additional funds are probably in larger part due to the signature of the JESS and the positive evolution of the education sector than to the FTI endorsement, but the latter may have played a role, in particular in CIDA's funding and in the Global Education Alliance support. However, in the medium term these increases in external financing to the education sector may be jeopardised by strong prospects of several donors moving out of the sector, mainly in relation to the European Union (EU) Division of Labour exercise and the fact that in the short term the sector is adequately funded.

S21 *Public Finance Management.* The FTI has contributed – along with GBS and other education SBS, to a stronger focus on strengthening national systems for budgeting and expenditures in the education sector. On the downside, the lack of predictability of the FTI CF funding has put a considerable strain on the management of resources by GOR.

### **FTI and the Data Gaps**

S22 FTI inputs in terms of data and M&E are focused on (i) the use of the IF and associated benchmarks; (ii) the appraisal of the Rwanda ESSP and LTSFF in 2006; (iii) reporting requirements to the FTI (annual progress report); and (iv) forthcoming EPDF support for a Country Status Report (CSR) in 2009.

S23 Regarding the IF, the indicators were already monitored in the ESSP, probably as a result of the influence of the 2003 CSR. This is therefore not a direct result of the FTI

endorsement, but may be related to an indirect influence of the FTI process at global-level on work within the WB on the development of the CSR tool.

S24 *Focus on Learning Outcomes.* The FTI's contribution on the "data gap" came mainly through the appraisal process carried out by local donors, and was very relevant in that it focused on the lack of information on learning outcomes. Nevertheless, it seems that so far not much has changed since the issue was raised.

S25 *Monitoring.* An annual progress report was requested for monitoring of the FTI CF support, which was parallel and additional to existing processes. In addition, the minutes of the Joint Review of the Education Sector (JRES) were regularly transmitted to the FTI Secretariat for information, as well as the budget and budget execution reports, and Public Financial Management (PFM) diagnostics such as the Public Expenditure Review (PER). Although derogations from existing systems caused heavy additional transaction costs both for GOR and for local donors, they have been useful in getting MINEDUC on board with the kind of budget execution report that SBS donors would like to receive, although a better involvement of the Ministry of Finance would have been valuable. In any case, the FTI Secretariat and the WB have jointly sought to improve alignment of the FTI-related reporting requirements over time.

S26 Key issues for the sustainability of the existing monitoring and reporting systems are: (i) better alignment of the priority actions of the JRES with the EDPRS and GBS CPAF (Common Performance Assessment Framework), the ESSP logframe and policy matrix and Annual Workplans; (ii) streamlining the process of sector reporting; (iii) improving the quality of reporting on budget execution; and (iv) ensuring the upcoming Development Policy Operation for the 2009 CF funding is in line with existing monitoring and reporting requirements.

### **FTI and Capacity Development**

S27 FTI inputs in this area are (i) EPDF financing: training session in Mauritius, study on impact evaluation; future CSR; (ii) Appraisal of the ESP; and (iii) CF funding in 2007, 2008 and upcoming funding in 2009.

S28 While the training session financed by EPDF and the appraisal of the ESP may have contributed to a better understanding of capacity gaps and the FTI processes, and the future CSR represents an opportunity for strengthening MINEDUC's capacity for data analysis, costing and results based policy making, the main contribution of the FTI to capacity building has been the CF funding and associated processes.

S29 FTI CF funding has allowed the very significant increase in the capitation grant which includes a component for in-service training for teachers. The FTI CF funding also has (along with others) contributed to the increased budget on teacher training and the financing of two new Teacher Training Centres. The use of SBS for CF funding has also – along with GBS and other SBS – contributed to an enhanced focus and support to existing government planning, budgeting and expenditure processes.

S30 Two issues regarding sustainability of capacity building efforts are (i) the implications of the significant shift towards SBS, which makes the need to strengthen government capacity more prominent in order manage the increasing amounts of money passing through government systems and the high requirements in terms of reporting and dialogue; (ii) the coordination between sector level capacity building processes (in particular the capacity building pooled fund) and the national mechanisms (civil service reform, Human Resource and Institutional Capacity Development Agency - HIDA).

S31 Finally, it should be noted that the shift towards SBS requires enhanced donor capacity in the education donor group on PFM and budget-related issues – or an enhanced coordination with economists in charge of General Budget Support (GBS). One of the reasons why DFID has been the lead donor continuously since 2003, is the feeling among donors that none of the others have the capacity for this task. In addition, as the lead donor, DFID has borne the brunt of the reporting requirements by the FTI and the CF, in that it has had to support MINEDUC in drafting the reports and following the FTI reporting format, which represents a significant amount of work. The heaviness of the FTI CF processes is the main reason why DFID has not yet envisaged taking on the role of supervising entity. Paradoxically, the heaviness of DPO-associated process may now become the main reason why DFID starts considering the role of supervising entity, to open the space for more flexible funding modalities – i.e. sector budget support without the constraints of heavy WB processes.

### **FTI and Aid Effectiveness**

S32 Key FTI inputs have been: (i) the appraisal process in 2006 and in 2009; (ii) the provision of SBS by the FTI CF and related reporting and monitoring requirements; and (iii) the External Quality Review carried out on the 2009 CF request.

S33 The FTI requirement for the donor group to agree jointly on the appraisal of the Education Sector Plan in 2006 has contributed to strengthening the existing partnership and deepening the level of dialogue and coordination.

S34 Effect on ownership. The provision of notionally earmarked SBS (by the CF and other donors) may have had a positive impact on government ownership, thanks to the flexibility in the use of the money, and the full alignment with government priorities. It may also have contributed to strengthening national accountability systems. Besides, the preparation of the 2009 request to the CF forced MINEDUC and donors to make compromises in order to find common ground on the fast tracking of the 9-year basic education policy.

S35 Effect on alignment. The use of SBS as an aid modality for the CF support is the main contribution of the FTI to enhanced alignment of aid to Rwanda's systems. The reasons for the use of SBS by the FTI Catalytic Fund in Rwanda are mainly strong Government preference for the use of GBS or non-earmarked SBS, both at MINECOFIN and at MINEDUC level; strong pressure from the local donor group; and flexibility on the side of the local WB representatives. The existence of the LTSFF (required by the FTI endorsement) was one of the factors that pushed other donors to provide SBS. Nevertheless, Rwanda was the first country to ever receive SBS from the CF, and thus the process was somewhat makeshift (utilisation of the grant agreement based on an investment project by the WB, audit requirement, format of the annual progress report). In theory, the shift from the 2007 and 2008 grant agreement to a Development Policy Operation (DPO) in 2009 should allow better alignment of the FTI CF processes with existing ones. Local donors however highlight the heavy transaction costs associated with the DPO, and the numerous related additional demands on Government.

S36 Effect on Predictability. The performance of SBS donors in terms of predictability has been patchy. The FTI's contribution to a "sustained increase in aid for primary education" has been negative on the whole. The FTI CF support in particular has contributed negatively through (i) length of the process to arrive at endorsement; (ii) timing of endorsement out of line with budget cycle – leading to the need for revised budget laws; (iii) disbursement late in the fiscal year, leading to disruptions in cash management and undue pressure on budget execution; (iv) overly flexible conditionality framework. The CF has also provided only very short term predictability in its financial support (one to two years), which creates a significant

amount of uncertainty on future external resources for the education sector. Future CF support to Rwanda will depend on the revision of the existing plans (ESSP, LTSFF), on progress in implementation of the ESSP, and on availability of funds for the CF.

S37 Finally, the External Quality Review carried out as a pilot exercise on the 2009 CF request raised some useful points (need for further explanation on the calculation of the financing gap; weak progress on the monitoring of learning outcomes), but overall was a confusing exercise without clear added value.

### **FTI and Cross cutting issues**

S38 FTI inputs on cross-cutting issues have been the appraisal process in 2006 and 2009, the IF indicators and benchmarks, the up-coming funding of the CSR, and the CF funding since 2007. Neither the appraisal process nor the IF seem to have had a significant impact on MINEDUC policy orientations or focus on issues related to HIV/AIDS, gender equity or hard to reach children and orphans. Government's focus on these issues either pre-dated the FTI support or was supported by other donors, in particular the United Nations Children's Fund (Unicef).

### **High level evaluation questions**

*Is what the FTI aims to accomplish consistent with current needs and priorities of Rwanda?*

S39 Overall the FTI support to Rwanda was relevant, in that it focused on key issues in the Rwandan context such as completion rates, teacher management, learning outcomes monitoring and imbalances in the education budget. The modality used for CF funding (Sector Budget Support) was relevant to Rwanda's needs. The requirement for the LTSFF to be developed was relevant to promote enhanced costing of the education sector and objectives. The use by the FTI of existing sector wide plans and donor coordination mechanism was relevant in that it was aligned with existing mechanisms and GOR priorities.

*To what extent is the FTI accomplishing what it was designed to do, accelerating progress on EFA?*

S40 The appraisal by the local donor group, the requirement for the LTSFF to be developed, and the CF funding (thanks to its size relative to the primary education budget) have been effective in increasing significantly domestic and external financing to the education sector and specifically to basic education, increasing the resources transferred to schools (capitation grant), increasing teacher numbers (contractual teachers) and motivation (bonus), increasing school construction and textbooks procured, and increasing funds for teacher training. The use of notionally earmarked SBS was effective in enhancing the quality of the policy dialogue, strengthening PFM systems and minimising transaction costs. The existence of the LTSFF and the endorsement by the FTI may have contributed – along with other factors – to additional external financing. Nevertheless, the FTI contribution (through the CF or otherwise) did not fill the financing gap in 2008 and 2009 (although the report notes that the financing gap is a complex concept in which considerations of capacity and the degree of dependence on external aid are relevant, as well as the requirement for long term predictable funding). The CF support itself was not predictable either in the short or the medium term. Finally, the FTI did not contribute to enhanced monitoring of learning outcomes, mutual accountability, results focus or cross cutting issues (although it should be noted that significant progress was made on the latter outside of the FTI).

*Has the FTI helped mobilise domestic and international resources in support of EFA and helped donor agencies to adopt more efficient development assistance strategies based on Paris Declaration ideals?*

S41 Overall, the FTI-related processes involved significant transaction costs and derogations from existing processes. The requirement that Rwanda develop a 10-year

costed plan (LTSFF) on top of its existing 5-year plan in view of its FTI endorsement, in the space of a few months, involved heavy transaction costs, and did not bring the expected results in terms of longer term commitments by donors. The initial process for 2007 and 2008 CF funding was highly inefficient: the grant agreement was based on the investment lending project modality, which led to unforeseen ad hoc conditionality (audit requirement), which in turn led to delays in disbursements. Also, the FTI reporting requirements are additional to existing ones, which makes them time consuming both for GOR and for the lead donor. The upcoming DPO for the 2009 CF support is proving heavy in transactions costs and additional requests to the existing planning and diagnostic framework. As a result of these time consuming processes, no other donor than the WB has been able to take on the role of supervising entity, and no other donor than DFID that of lead donor. Finally, the lack of predictability of CF funding put a significant strain on GOR cash management and budgeting. Nevertheless, improvements have been made over time.

### **Reflections**

S42 Overall, some key lessons can be drawn from the experience of Rwanda with the FTI: the need for serious consideration of CF funding implications on short and medium term predictability; the role of the World Bank and its impact on aid modalities, and the lack of visibility of the FTI.

# 1 Rwanda Background

## Rwanda in brief

1.1 Rwanda has a population of nearly nine 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 (Education Donors, Rwanda 2006a).

1.2 Rwanda's recent history was marred by genocide in 1994, in which at least 800,000 people or about 10% of the population lost their lives. The country has had to address specific challenges wrought by war and genocide including the resettlement of three million people, a large number of orphans, a depleted skilled population, and decimated infrastructure. The per capita Gross Domestic Product (GDP) in 2000 was only about three-quarters as high as it was in 1980 (World Bank 2003b p6).

1.3 Since 1994, Rwanda has made significant progress. Millennium Development Goals (MDGs) related to universal primary education, gender parity, child mortality, Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome (HIV/AIDS) and malaria, and environmental sustainability are judged attainable by Government of Rwanda (GOR) (see Annex B). Nevertheless, poverty and inequality remain pervasive. 60.4% of the population fell below the national poverty line (United States Dollar (USD) 125) in 2006 – compared with a sub-Saharan average of 46%, and the incidence of poverty only declined by 3.5 percentage point between 2001 and 2006. Inequality is high by African standards. The Gini coefficient increased from 0.47 to 0.51 between the two household surveys (2001-2006). Nearly 98% of the poor live in rural areas, while 75% of Kigali-urban residents occupy the top expenditure quintile.

1.4 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. In the aftermath of the genocide (1996–2000), real GDP grew at over 10% per year as the economy recovered from a low base. This was followed by a period of stabilisation (2001–2006) during which real growth fell to an annual rate of 6.4%. Per capita real GDP growth was also in line with sub-Saharan Average (SSA) over 1997–2006 (3.6% against 3.4% for SSA), despite a decreasing trend between 2000 and 2004. Notwithstanding the fact that Rwanda has grown more strongly than the average economy in Africa in the last five years, there are important causes for concern about recent growth performance, which is undermined by population growth of 2.7 % annually and higher inflation.

1.5 Domestic resource mobilisation has been strong due to improvements in tax collection. Domestic revenue as a share of GDP increased from 9.7% in 2000 to 13.8% in 2007–08, and is expected to increase to 14.4% in 2009–10. (International Monetary Fund (IMF) 2006, 2009). The authorities plan to continue to strengthen tax and customs administration to increase the revenue to GDP ratio and reduce Rwanda's reliance on donor support (IMF 2009).

## Institutional framework

1.6 The Rwandan Patriotic Front, led by Paul Kagame, came to power following the 1994 genocide, removing the previous government. Multi-party democracy was installed nine years later, when, in 2003, parliamentary and presidential elections were held, and Paul Kagame was elected President for a seven year term.

1.7 Rwanda is a unitary state, with three main levels of government: central government, four Provinces plus Kigali City, and 30 districts (*akarere*). Below districts are two additional administrative levels: 416 sectors (*imirenge*) and 2150 cells (*imidugudu*). Provinces are devolved government entities which act mainly as coordination bodies, while districts are the main recipients of central government transfers, and key service delivery entities. Plans are to decentralise further down to sector level in the coming years.

1.8 The decentralisation process was launched in 2000 with the adoption of the Decentralisation Policy.<sup>1</sup> Large scale fiscal decentralisation started in 2006 with the scaling up of transfers from central government to districts. In the 2008 budget, districts receive Rwandan Franc (RWF) 81bn, which represents 13% of the total budget.

1.9 Strong internal accountability mechanisms have been developed with the performance contracts (*imihigo*) signed by district mayors with the President of the Republic, the Akagera retreat assessing the implementation of annual work plans within Government, and the National Dialogue which takes place in December each year involving private sector and civil society. In parallel, the role and capacity of the National Parliament has been strengthened, as has that of the Office of the Auditor General under its responsibility (Mokoro & ODI 2009).

## **Economic development and poverty reduction strategy**

1.10 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. An important element of the Vision 2020 was the commitment that through its education system, Rwanda would develop its capacity in Information and Communication Technologies (ICT) to shape its future development towards becoming a "knowledge-based economy" (GOR 2000). The Vision underpins the GOR's first Poverty Reduction Strategy, endorsed in 2002, and the second Poverty Reduction Strategy Paper (PRSP), the Economic Development and Poverty Reduction Strategy 2008–2012 (EDPRS). The priority areas for the education sector defined in the EDPRS are to increase the coverage and quality of nine year basic education, strengthen Technical and Vocational Education and Training (TVET) and improve the quality of higher education (GOR 2007).

## **Public finance management**

1.11 In recent years, excellent progress has been made in constructing a modern Public Financial Management (PFM) system in Rwanda.<sup>2</sup> The introduction of the Medium Term Expenditure Framework (MTEF) in 2001 has strengthened the links between policy and budgets and made the budget more transparent; the SMARTGOV<sup>3</sup> and cash budget systems have enabled Government to exercise greater control over expenditure and prevent the build up of excessive arrears. A PFM strategy and an action plan were endorsed by Government in 2007.

1.12 The Office of the Auditor General was established by law in 1998,<sup>4</sup> and was shifted by the 2003 Constitution from being under the executive and judiciary to reporting primarily to the Parliament. The National Tender Board was also introduced in the late 1990s. Subsequently, Law N°12/2007 on Public Procurement strengthened regulation, decentralised public procurement to government institutions and established the Rwanda

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<sup>1</sup> <http://www.minaloc.gov.rw/spip.php?article10>

<sup>2</sup> The recently completed PEFA exercise qualifies Rwanda's PFM reforms as "impressive given the circumstances, resources and capacities of the country", and "remarkable" (Johnson et al 2007).

<sup>3</sup> SMARTGOV is a computerised expenditure commitment and payment recording system. All ministries and most provinces are now part of the SMARTGOV network. Districts are in the process of being connected.

<sup>4</sup> Law no. 05/1998.

Public Procurement Authority. These reforms have led to a significant improvement in oversight.

1.13 Expenditures have generally been in line with budgets. A policy of zero-tolerance on corruption has been implemented, through the active role of the Ombudsman. The production of the first consolidated financial statements on fiscal year 2006 was a major achievement.

1.14 The Law on State Finance and Property adopted in 2006 has involved a major decentralisation of PFM, from Ministry of Finance and Economic Planning (MINECOFIN) to line Ministries and other budget agencies. Budget execution and the power to execute *virements* (transfers) has been decentralised to the Chief Budget Manager in each Budget Agency. This allows increased ownership by line ministries of their budget and budget execution process, as well as reducing the time needed for payments to be approved.

1.15 Finally, a new format was introduced for the Finance Law in 2008, ensuring improved transparency and visibility. It now presents a three year perspective and moves towards integration of the recurrent and development budgets by presenting them together under each programme. Presentation of revenues was also enhanced allowing a clear overview of planned Sector Budget Support (SBS) and General Budget Support (GBS) funding. It should also be noted that Rwanda is aligning its budget cycle with the East African Community, and has therefore had a six month budget ("mini-budget") in January-June 2009, following which the budget year will start in July (Mokoro & ODI 2009, p6).



## 2 Aid Relationships

2.1 Following the 2003 presidential elections and vote of the new constitution, as well as increased regional stability, total Official Development Assistance (ODA) to Rwanda increased significantly. Rwanda is highly dependent on external aid despite improved revenue collection. In 2007, ODA represented roughly 26% of GDP. In the budget, ODA represents slightly more than 50% of total revenue. Aid per capita rose to USD 53 in 2005 up from USD 40 in 2000, and compared with USD 36 average for sub-Saharan Africa. Rwanda reached the completion point under the advanced Heavily Indebted Poor Country (HIPC) initiative in April 2005, and qualified for the Multilateral Debt Relief Initiative in January 2006. Debt sustainability remains fragile and significant grant financing will be required to support achievement of the MDGs for some time to come. About half of all the ODA is provided by Rwanda's four largest donors (the World Bank, the European Commission (EC), the United Kingdom (UK) and the United States) (OPM & REPIM 2007, p16).

2.2 GOR adopted an Aid Policy in 2006 (GOR 2006c). 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 utilise government systems as much as possible, expresses a preference for general budget support, followed by un-earmarked sector budget support and by stand-alone projects.

2.3 Budget Support represents approximately 50% of Rwanda's recurrent budget. In 2008, it accounted for approximately 38% of total ODA. (Rwanda Donor Group 2008b) General budget support increased significantly in 2004 and 2005, as illustrated in Table 2.1. Currently, seven donors provide General Budget Support (GBS) to Rwanda (European Commission, World Bank, African Development Bank (AfDB), Netherlands, Germany, Sweden and United Kingdom).<sup>5</sup> Since 2006–2007, SBS has picked up in the education and health sectors, and is expected to start in other sectors in the coming years (transport, justice, rural development and agriculture, decentralisation). Overall, the share of SBS in the total amount of budget support has increased steadily since 2006, to reach nearly 50% in the 2009/2010 budget (Mokoro & ODI 2009).

**Table 2.1 Budget Support to Rwanda 2003–2012 in Finance Laws**

In USD m	2003	2004	2005	2006	2007	2008	2009*	2009/10	2010/11	2011/12
GBS (grants excl. HIPC)	59,4	89,1	144,2	104,6	225,0	255,7	28,3	130,8	304,1	219,5
GBS loans	28,8	116,2	26,1	6,4	3,8	0,0	0,0	0,0	0,0	0,0
HIPC	24,4	38,0	40,8	21,9	9,0	6,1	0,0	0,0	0,0	0,0
<b>Total GBS</b>	<b>112,7</b>	<b>243,3</b>	<b>211,0</b>	<b>132,8</b>	<b>237,9</b>	<b>261,9</b>	<b>28,3</b>	<b>130,8</b>	<b>304,1</b>	<b>219,5</b>
SBS education	1,9	1,7	0,0	10,8	44,4	87,0	4,8	60,0	6,5	0,0
SBS other sector	0,0	0,0	0,0	0,0	0,0	34,5	38,0	68,4	44,9	35,6
<b>Total SBS</b>	<b>1,9</b>	<b>1,7</b>	<b>0,0</b>	<b>10,8</b>	<b>44,4</b>	<b>121,4</b>	<b>42,8</b>	<b>128,4</b>	<b>51,3</b>	<b>35,6</b>
<b>Total GBS + SBS</b>	<b>114,5</b>	<b>245,0</b>	<b>211,0</b>	<b>143,6</b>	<b>282,3</b>	<b>383,3</b>	<b>71,1</b>	<b>259,1</b>	<b>355,4</b>	<b>255,1</b>
<i>SBS as a % of total</i>	<i>1,6%</i>	<i>0,7%</i>	<i>0,0%</i>	<i>7,5%</i>	<i>15,7%</i>	<i>31,7%</i>	<i>60,2%</i>	<i>49,5%</i>	<i>14,4%</i>	<i>14,0%</i>

Source: Mokoro & ODI 2009, Finance Laws (corrected for 2003–2006 in order to show Sector Budget Support separately)

Note: finance laws provide information on donor commitments

\* 2009 corresponds to the 6-months mini-budget in transition towards the July/June fiscal year

<sup>5</sup> Source : 2008 revised Finance Law

## Aid coordination mechanisms

2.4 Mechanisms for Aid Coordination have evolved at the national and sector levels. The Development Partners Coordination Group (DPCG) is the highest level coordination structure in Rwanda. (Rwanda Donor Group 2008b, p9) Once a year – and from 2008 onward every other year, GOR organises the Development Partners Meeting (DPM), which is a high level forum bringing together donor representatives from headquarters and representation at ministerial level from the Rwandan Government.

2.5 The Budget Support Harmonisation Group (BSHG) was formed in 2003, through the signature of the Partnership Framework for Harmonisation and Alignment of Budget Support (revised in 2008). The BSHG comprises of all budget support donors and potential budget support donors as observers.<sup>6</sup> It meets quarterly, the two main meetings being the Joint Budget Support Reviews that take place in April and September each year. The Partnership Framework defines the framework for coordination and monitoring of budget support in Rwanda: respective commitments of donors and government, reporting requirements, performance monitoring through the Common Performance Assessment Framework (CPAF) "which summarises Government performance in the implementation of the EDPRS", the Donor Performance Assessment Framework (DPAF) "which summarises donor performance in adhering to the various commitments related to the aid effectiveness agenda", and the joint governance assessment, conditions for participation to the BSHG, dispute resolution mechanism, etc.

2.6 Finally a system of clusters (joint government-donors sector working groups) and joint sector reviews ensure coordination at the sector level. There are nine active clusters: Justice, Rural Development, Private Sector Development, Infrastructure, Health, Education, Decentralisation, HIV/AIDS, Capacity Building and Public Sector Reform. Sector Wide Approaches (SWAs) have been adopted in education, health, and are in progress of being established in agriculture, justice and transport sectors, as well as on decentralisation. Associated joint sector reviews are organised in sectors such as health, education, agriculture, justice, and should normally take place in March-April each year. The education sector review has so far been the only one to take place regularly before June each year (Mokoro & ODI 2009, p14).

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<sup>6</sup> Current members of the BSHG are the World Bank, DFID, the European Commission, the African Development Bank and Sweden. Germany participates as an observer.

## 3 Basic Education in Rwanda

### Education system

3.1 The education system in Rwanda is structured in a 6-year primary cycle, a 3-year *tronc commun* (TC - lower secondary) cycle, a 3-year upper secondary cycle, and a 4-year higher education cycle in most fields. Primary education is fee-free since 2004. It is essentially provided by the public sector (that is, in schools that are either publicly owned or are "free subsidised").<sup>7</sup> Lower secondary education is increasingly public-supported, although 34% of enrolment is still in private schools without state support. Public TC is fee-free since 2006. Upper secondary (US) requires fees. Over 50% US enrolment is in the private sector. There are 6 public and 12 private higher education institutions. Public students are not charged fees; their living expenses are paid by the state, and the payment classed as a loan (OPM & REPIM 2007, p14).

3.2 The Ministry of Education (MINEDUC)<sup>8</sup> sets policy, norms and standards; oversees the system; undertakes planning, monitoring and evaluation (M&E) at the national level.

3.3 Several semi-autonomous agencies have been created to oversee specific issues in the education sector: the National Curriculum Development Centre (NCDC), the Rwanda National Examination Council (RNEC), the Inspection General of Education (IGE), the Teacher Service Commission (TSC), the Student Financing Agency for Rwanda (SFAR), and the Council for Higher Education (CHE) (Mokoro & ODI 2009, p8). A new Rwanda Education Board structure made up of mostly semi-autonomous agencies has recently been set up to support core MINEDUC functions. (Education for All (EFA) Fast Track Initiative (FTI) FTI 2009b).

3.4 In line with the Decentralisation Policy, Districts have responsibility for service delivery and oversight of schools, in coordination with the *Imirenge* offices. Districts monitor directly secondary schools, and rely on *Imirenge* for monitoring primary schools. Each District has an Education officer and a Director for Education, Youth and Culture. Staffing has been increased in 2009 by one additional officer in charge of teacher management. Each *Imirenge* has an officer in charge of social sectors (including education).

3.5 Schools are expected to have functional and effective school boards and parent teacher associations. They are expected to report their financial resources and expenditures with the school board members, local community and districts. Head teachers are expected to sign performance contracts with each teacher, and assess their performance regularly. Each school is asked to develop a School Improvement Plan to outline its priority needs and planned activities over the coming years. The recent Public Expenditure Review (PER) (OPM & REPIM 2007) has found that overall compliance with the above requirements is good at school level. The present system places great responsibility on school heads, and on community and parent-teacher association management. A strength of the Rwandan system of education is the high level of parental participation in Parent Teacher Associations.

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<sup>7</sup>Free subsidised (*libre subsidié*) are schools which are non-governmentally owned but with operations fully funded by the state, which treats them in exactly the same manner as its own schools, providing teachers, grants, and books.

<sup>8</sup> MINEDUC was the Ministry Education, Science, Technology and Scientific Research until 2006, at which time the Ministry of Technology and Scientific Research was separated and put under the direction of the President's Office.

## Education policy and plans

3.6 Following the genocide of 1994, the education sector in Rwanda entered a state of emergency reconstruction of sector institutions and emergency donor support. From 1997 onwards, key institutions in the sector were set up. Increasingly from around 2000, effort was made to develop relevant policies and plans, in particular in primary and higher education. Preparation of a sector wide approach began in 2000 with a timetable for production of a sector plan and the establishment of sub-sector working groups. In 2003, MINEDUC, with UK Department for International Development (DFID) funded Technical Assistance (TA) support, embarked on the development of a Sector Wide Approach, starting with the development of the **Education Sector Policy (ESP)** (MINEDUC 2003). Central to this was the policy of fee free primary education which started in 2004, and led to the introduction of the capitation grant (see Box 3.2). The sector-wide strategy incorporates the Education for All goals and aims to resolve the tension between rehabilitating the basic education system to ensure universal literacy while at the same time teaching highly-specialised professional skills at the higher end of the system.

3.7 A cap on repetition rates was introduced in 2002 at 20%, which immediately led to a significant decrease in repetition rates from 31.8% to 17% between 2000 and 2002 (World Bank 2003a).

3.8 The 5-year **Education Sector Strategic Plan (ESSP)** was launched in 2003, based on the findings of the Country Status Report (CSR) (World Bank, 2003), operationalising the move to fee free primary education, introducing the evolution towards nine year basic education and introducing a radical reform of higher education financing to reduce government subsidies to university students. The ESSP was updated yearly since 2003 (2003–2008; 2004–2009; 2005–2010; 2006–2011; 2007–2012; 2008–2013). Fee-free *Tronc Commun* was introduced in 2006.

3.9 In 2006, a **Long Term Strategy and Financing Framework (LTSFF)** was developed covering 2006–2015: the LTSFF. It covers a 10 year period and includes a comprehensive costing for the whole sector. Six financing scenario were prepared as a basis for the LTSFF (MINEDUC 2006a).

### Box 3.1 Education Sector Policies and Plans

- Education sector policy (2003): sets the overall objectives and priorities of the education sector
- Education sector strategic plan (ESSP) (2003): outlines key education policies and activities to be carried out over the coming five years.
- Long term education strategy and financial framework (2006–2015) (LTSFF) defines the long term (10 years) objectives and targets and financial framework, identifying in particular the financing gap in order to reach the long term objectives. The two major objectives of the LTSFF are nine year basic education and science and technology with a particular focus on ICT. MINEDUC intends to revise the LTSFF in 2009, along with the ESSP.
- Education MTEF: outlines the allocation to each education sub-sector over the coming three years. It is used as a planning and management tool, and is coordinated by the Planning Department in MINEDUC.
- Education budget and annual work plan: detailed outline of the activities and budget for the coming year. The education budget covers the Ministry of Education and central government transfers to autonomous and semi-autonomous agencies (universities, National Curriculum Development Centre, National Examination Council, etc). In addition, the education sector budget covers all earmarked transfers to districts and schools in the field of education.
- A series of specific sub-sector policies have been developed over the past few years – 12 different policies are currently in process or recently adopted, including Teacher Management and Development; Textbooks; Technical Vocational Education and Training; and Girls' Education.

Source: Mokoro & ODI 2009 and update by author

3.10 In 2009, the Ministry of Education has initiated an acceleration of the Nine Year Basic Education policy aimed at reducing class sizes, partly through better planned double-shifting, improving specialisation of primary teachers, reduction of core subjects, and shifting to a single medium of instruction. With these changes it is projected that the average numbers of hours taught per subject will rise from 3 to 4.2 in Grades 1–3, and from 2.8 to 4 in Grades 4-6. (FTI 2009b) This fast-tracking the 9 year basic-education strategy has led to a de facto revision of the ESSP and LTSFF targets, which represents one of the main points of discussion during the preparation of the 2009–2013 ESSP and the revision of the LTSFF.

### Box 3.2 Capitation Grant: objectives and modalities

The capitation grant was introduced in 2004 to compensate for the suppression of school fees following the fee free primary education policy. In 2006 the capitation grant was extended to lower secondary when fee free lower secondary was introduced.

The use of the Capitation grant is governed by MINEDUC Directives, issued in 2007 and 2008.

Initially, the capitation grant for primary schools was a fee replacement payment intended to cover operations, maintenance and staff development costs incurred by the school. The 2007 Directive introduced separate objectives of support to learning, and support to teaching. The proportions for these categories are covered in the Directive. The new support for teaching is intended to cover additional payments to existing teachers as a performance related bonus, and to provide funds for the employment of additional contract teachers. Because of increased funding for the education sector, capitation funds doubled in 2007 to Rwandan Franc (RWF) 5,300 per pupil for primary, including 2,500 for support of learning and 2,300 for support of teaching (bonuses for existing teachers (an amount equivalent to an average salary increase of nearly 30%) and funds for schools to hire supplementary teachers).

Schools through the parent-teacher organisation may agree to additional charges to raise funds for the school but these may not be compulsory and no child can be excluded because of non payment by parents of such charges.

The capitation grant is transferred directly from Treasury to schools on the basis of student numbers, supplied to the District and MINEDUC. Schools are required in the 2007 Directives to report before the second half of the grant is received, on the use of the first half. They are also required to submit an annual report to the district covering all school funds.

Table F.1 in Annex F provides details of the evolution of the amount of the capitation grant over the years.

Between 2004 and 2008 operational grants transferred to schools have increased from RWF 300 per student per annum to RWF 7,300 per student per annum.

Source: author

## Progress towards EFA

3.11 In the aftermath of the 1994 genocide, the Government focused on ensuring the broadest possible access to education, especially primary education – both as a sign of its commitment to building the next generation and to create a sense of inclusion among all ethnic groups. The most impressive aspect of the education system's recovery is the rapid pace of enrolment increase in the aftermath of the genocide. Only five years after the event, the number of children in primary school had already surpassed the number that would have been enrolled had the system expanded at historical rates of increase (average growth rate of primary enrolment between 1996 and 2000 is 7%, and more than 20% in secondary). In higher education, enrolments rose even more rapidly: from 3,400 students in 1990–91 to nearly 17,000 by 2001–02, nearly a fourfold increase in a decade. Throughout the period, private schooling has played a minimal role, accounting for less than 0.8% of the pupils throughout the 1990s.

3.12 As early as 2003, Rwanda's Net Enrolment Rate (NER) for primary education (93%) was already substantially higher than the averages for low-income countries in SSA and in the whole world, whereas the ratio for secondary is significantly lower and that of higher education is comparable to the corresponding averages. One of the main reasons for quick increase in Rwanda's enrolment in primary is not the increase in the rate of entry to first grade, which remained stable between 1991 and 2000, but high repetition rates. Thus, although educational coverage had undeniably expanded rapidly over the course of the 1990s, much of it reflects increased recycling within the system. (World Bank 2003b p20, 26). At nearly 34%, Rwanda's repetition rate in primary education was in 2000 one of the highest in the world, and posed a challenge to maintain the cohort survival rate at 73% and led to the cap imposed by GOR (see ¶3.7).

3.13 Thanks to the policy of fee free primary education that started in 2004, enrolment in primary accelerated even further, bringing the Gross Enrolment Rate (GER) to 128% and NER from 73% in 2000 to 94% in 2008 with a higher rate for girls than boys, which represents an additional 674,000 children in school every year. As a result, Rwanda is well on its way to meeting the main education access targets of the Millennium Development Goals. Nevertheless, the high net enrolment is concentrated in the early grades, with many children repeating those grades. Only a small proportion of those who enter Grade 1 complete the full six grades: between 30% and 42%,<sup>9</sup> depending on the calculation method. This compares with the sub-Saharan Africa average of 61%. (OPM & REPIM 2007). Completion rates<sup>10</sup> have been improving steadily since 2000 but remain quite low still at 53%, while drop-out rates have been falling steadily from 16.6% in 2001 to 13.9% in 2007 and repetition rates from 21% in 2002 to 17.7% in 2007. Although a study is currently under way into the main causes of the low completion rates, a major reason cited by many teachers and parents is the poor quality of education, and corresponding low learning achievement levels. (FTI 2009b). This represents a high degree of inefficiency, putting significant strain on the system as outlined by the 2007 Public Expenditure Review (PER):

low proportions of the initial intake complete the six years [of primary], making for an extremely ineffective and inefficient use of resources...The cohort analysis shows that for every student who completes the six grades, over 14 student-years have to be taught (OPM & REPIM 2007).

3.14 Teacher recruitment has been limited (although enrolment has been growing at over 7% a year since 2002, the number of teachers has been increasing by less than 4% a year), mainly as a result of a cap in the increase of civil service payroll of 3% per year. Expenditure on classroom construction only accelerated from 2006. As a result, the pupil-teacher ratio has increased from 51 in 2000 to 74 in 2007, and the number of pupils per class has increased from 64 to 70 over the same period, despite use of teacher double-shifting in primary 1 to 3 (over 90% of classes in years 1 to 3 are in double shift; indeed, in the first year, only 4% are single shift; about 40% of teachers work double shift).

3.15 Government policy also seeks to encourage development of the pre-primary level, managed by local communities. The 2007 PER (OPM & REPIM 2007) estimates that between 25% and 30% of the age group is enrolled either in pre primary or in primary education, the latter being less costly for parents – although less suitable for younger children and more costly for the state.

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<sup>9</sup>Estimates of completion rates vary depending on methods of calculation and the repetition rates used. Cohort analysis using MINEDUC statistics gives a completion rate of 31%; using revised Year 1 repetition and drop-out would give 40%. In 2006 the new admissions to Grade 6 represented about 50% of the age 12 population; however, this over-represents the completion rate given the number of over-age students included. Multiplying the admissions rates to the successive years of primary – another proxy for completion – gives 42%. (OPM & REPIM 2007)

<sup>10</sup> UNESCO method (enrolment in grade 6)

3.16 Enrolment rates in secondary education remain low at 13% (NER), despite doubling since 2001. The Gross Enrolment Ratio (GER) at tertiary level is 3.2%, which is regionally comparable. The number of students in higher learning institutions increased from 10,000 in 2002 to 27,787 in 2005 and more than 40,000 in 2007. The suppression of lower secondary education fees and the recent Government focus on nine-year basic education for all – as well as the greater numbers of pupils completing primary school – represent a major challenge for GOR over the coming years, in scaling up the provision, quality and relevance of secondary education and more broadly of post-basic education as a whole.

3.17 Following the strong improvements in access to primary education, the main challenges are therefore for Government to ensure that pupils now benefit from a quality education, which implies in particular ensuring adequate teacher recruitment, motivation and management, in order to increase contact hours for children and reduce class size in particular in the first three years of primary, providing sufficient school material and textbooks, and scaling up school construction. GOR is also putting a strong emphasis on the development of Technical and Vocational Education and Training (TVET) for pupils at all levels, the challenge being to ensure active involvement of the private sector and adequacy with the needs identified in the employment market.

3.18 Finally, household survey (EICV2 2006) data shows that approximately two-thirds of people aged 15 and over declare themselves to be literate. The overall literacy rate for 15-24 year olds is some twelve percentage points higher than that for the population as a whole. This increase does indicate improved literacy rates over time, and that education policies are having an impact on literacy levels.

### **Education dialogue and coordination**

3.19 Within Government and among development partners, the education sector is widely regarded as the first sector to have developed a comprehensive plan within a Sector-Wide Approach (SWAp). Approaches to planning, budgeting and donor harmonisation are being emulated within other sectors. (Education Donors, Rwanda 2006a, p3)

3.20 In 2003, through the adoption of the Education Sector Policy (ESP) and the first ESSP and associated mechanisms, MINEDUC developed, proposed and implemented an education sector SWAp, to include direct budget support where donors were able to use this modality and single sector-review mechanism. Since then, the Joint Review of the Education Sector (JRES) is held annually, usually around months 4–6 of the fiscal year. The review is open to all bilateral and multilateral donors, Government Ministries and agencies, as well as to participants from civil society, teachers, students, teacher's associations, local Non-Governmental Organisations (NGOs). Delegates from donor headquarters also attend, as well as participants from other countries.

3.21 DFID is currently the lead donor, and has been since 2003. The lead donor co-chairs, with MINEDUC, the quarterly education cluster meetings with the Permanent Secretary MINEDUC, to which all donors and some major NGOs are invited. In addition to the cluster meetings, some thematic or sub-sector working groups have been set up, which focus on specific issues such as girls education, TVET, etc. (German Agency for Technical Cooperation (GTZ) is the lead donor on TVET and United Nations Children's Fund (Unicef) on Quality Education). Recently, it was proposed to add a "budget" working group – open to all donors – which would focus on discussing budget-related issues such as budget execution, transfers to districts, fund management at school level, etc. Discussions on budget issues so far have taken place mainly in the Joint Budget Support review, in which donors providing GBS and SBS participate. Donors have set up an education donor coordination group that usually meets ahead of cluster meetings in order to coordinate donor positions on specific issues or share information on donor missions, studies, etc.

3.22 In 2006, government and donors signed a memorandum of understanding which defines a set of partnership principles for alignment and harmonisation of development partners' technical, administrative and financial support to the education sector in Rwanda through the framework of the ESSP. It has so far been signed by 10 of the 15 development partners,<sup>11</sup> and the signatories are a mix of project and budget support donors. (MINEDUC & Donors 2006a)

### External support to education

3.23 Before 2000 and up until 2005, donor support to the education sector was mostly in the form of projects. An assessment carried out in 2005, (Foster et al 2005) observed:

the project approach is falling far short of meeting ESSP needs. Large project implementation unit based projects have performed relatively poorly ... There are too many small projects that may not reflect GOR priorities, do not directly fund ESSP programmes, and have high costs, making them difficult to scale-up or sustain. Donor commitments have short time-horizons.

At that time the donor group was fragmented, and project support donors were each concerned exclusively with their specific area of interest and project implementation. This resulted in high transaction cost to MINEDUC staff, in terms of managing different evaluation missions and reviews for each project. Delays in project implementation – leading to many project extensions – affected sector performance.

3.24 The problem of project aid was acknowledged by 2000, and there has been a gradual shift from projects to policy focused budget support instruments. In 2000, DFID introduced an "education window" in their general budget support programme, in order to enhance the focus on the education sector and support the development of the education strategic plan. In parallel, DFID provided intensive TA and capacity building support, partly strategic through direct support to MINEDUC and partly educational<sup>12</sup> with the objective of supporting government to develop sector and subsector policies, a costed education strategic plan and a credible MTEF, through its Rwanda Education Sector Support Programme (RESSP). Also in the early 2000s, a few donors started organising joint education sector missions (Unicef, Sweden, DFID), and there were more coordination efforts around the Education for All initiative. The Swedish International Development Agency (Sida) started providing Sector Budget Support to education in 2002, in silent partnership with DFID. Coordination around the national sector plan improved from 2003 with the launch of the sector-wide approach.

3.25 On January 1<sup>st</sup> 2006, the Joint Education Sector Support (JESS) was signed. The JESS aims to provide a framework for sector budget support to education (alignment with the ESSP, joint reporting and review, no earmarking, enhanced predictability) and set up a parallel capacity building pooled fund. The JESS was initiated as a follow up to a study on aid management in the education sector (Foster et al 2005) which recommended the move to a coordinated SBS approach in order to enhance aid effectiveness. It was also the result of DFID's willingness to attract other donors to provide aid to the sector in the form of SBS. Belgium (in 2006), AfDB, Netherlands, the FTI Catalytic Fund (CF) (in 2007) and Canada (in 2008–09) subsequently started providing support to JESS through Sector Budget Support. The number of donors providing Sector Budget Support progressively reached seven in 2008: DFID, Sida, Belgium, AfDB, Netherlands, FTI CF and Canada. The Canadian

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<sup>11</sup> DFID, VVOB/Belgium, Sida, Unicef, GTZ, World Bank, APEFE/Belgium, Japan, Belgium and Canada.

<sup>12</sup> Full time TA within MINEDUC for Planning, Higher Education, Finance (ODI Fellow), Curriculum Development. There were visits to UK to see curriculum development centres, inspection services and examinations boards. MINEDUC Directors were also enrolled in MBA courses by distance education.

International Development Agency (CIDA), Unicef and DFID contributed to the capacity building pooled fund attached to the JESS, which started implementation in 2007.

3.26 The Government has steadily attracted external donors to the sector (there were 15 partners in 2006) and estimates that external resources make up nearly 50% of the total education sector budget. Table 3.1 below presents an overview of financing received by the education sector since 2005. The proportion of SBS has risen from 0% to 90% of total education funding between 2005 and 2008. As often noted, the table below also illustrates the lack of information on long term commitments of SBS.

**Table 3.1 Mix of Aid Modalities to the Education Sector over Time (USDm)**

	2005	2006	2007	2008	2009*	2009/10	2010/11	2011/12
Project (including off budget)	27.9	27.7	20.2	8.9	27.7	26.8	22.8	15.0
SBS (including education tranche in GBS)	0.0	13.3	32.4	89.2	8.4	65.0	6.5	0.0
Capacity building fund	0	0	0	0	2,6	2,3	0,4	0,4
<b>TOTAL external support to education</b>	<b>27.9</b>	<b>41.0</b>	<b>52.6</b>	<b>98.1</b>	<b>38.7</b>	<b>94.1</b>	<b>29.7</b>	<b>15.4</b>
<i>SBS in % of total external support to education</i>	<i>0.0%</i>	<i>32.4%</i>	<i>61.6%</i>	<i>90.9%</i>	<i>21.7%</i>	<i>69.0%</i>	<i>21.9%</i>	<i>0.0%</i>
<i>SBS in % of total education budget</i>	<i>0%</i>	<i>11%</i>	<i>19%</i>	<i>48%</i>				

Source: Mokoro & ODI 2009. \*: 2009 mini budget (6 months)

Note: Not all projects indicated above appear in the National Finance Law

3.27 The shift towards budget support which has been advocated strongly by donors on the grounds of improving aid effectiveness has led to a heavy dependence of the government on aid for recurrent expenditure. There is therefore a strong onus on donors (including the FTI) to increase the predictability of their aid and make long term commitments to support the education budget. Failure to do so poses a serious risk to the gains that have been made in the education sector over the past decade.

3.28 As of 2009, MINEDUC expects to receive no more support in the form of major projects. Remaining projects will be in support of other institutions in the sector, such as a recently approved AFDB project in support of Kigali Institute of Science and Technology (KIST) University, which do not appear in the budget. Thus, there has been a near complete paradigm shift in the provision of aid to the sector. A major challenge for MINEDUC is the predictability of funding to effectively contribute to EDPRS.

## Education financing

3.29 The Education sector budget<sup>13</sup> has been following an upward trend<sup>13</sup> since 2002, in absolute terms, and as a percentage of GDP and the total budget. A major increase took place in 2005: the recurrent education budget grew from 11% of total recurrent expenditure to 20% in 2006, corresponding to an increase by 93% of the recurrent education budget and by 62% of the total education budget. The education sector recurrent budget (which excludes project aid but includes SBS and GBS) has grown strongly in nominal terms since 2000, having nearly tripled in that period.

3.30 The education budget is now starting to stabilise around 15% of the total budget, and 4–5% of GDP (compared with an average of 3% to 4% in sub-Saharan Africa, and 3.4% of GDP in Rwanda in the mid-80s). Recurrent expenditure on education has mainly fluctuated between 20% and 25% of government recurrent spending over this period, with the

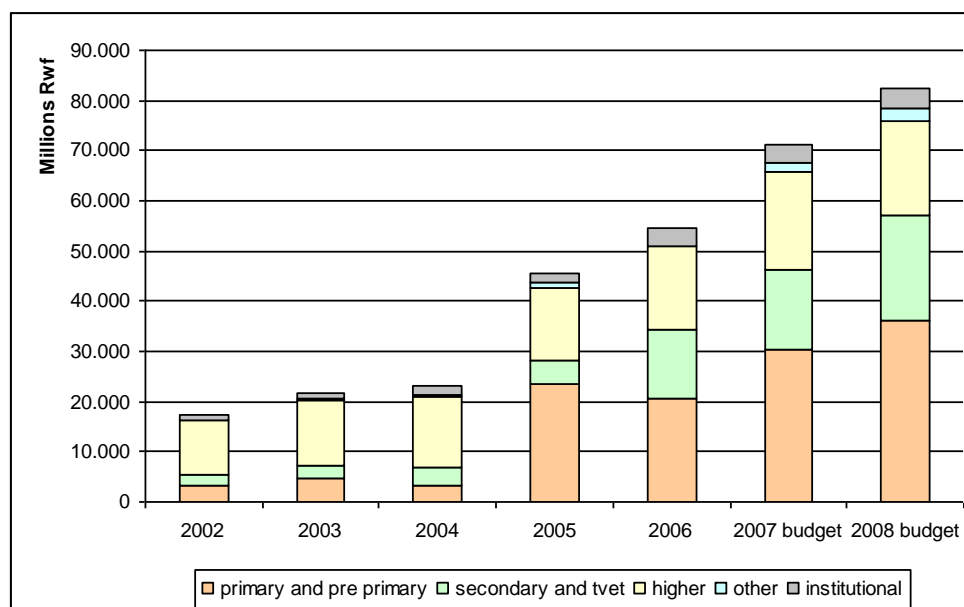
<sup>13</sup> The Education sector budget is composed of the MINEDUC budget (except science and technology which was included under MINEDUC until 2007), and the decentralised education funding at the level of Provinces (until 2007) and of Districts (since 2007).

exception of 2002 (OPM & REPIM 2007). Nevertheless, while high in proportion of GDP, spending remains low in absolute terms. In 2006, Government spent RFW 11,900<sup>14</sup> for each primary student. This constrains the Government in its efforts simultaneously to restore and modernise the education system.

3.31 Analysis carried out by the 2007 PER shows that in 2006, Government spent five times more for each lower secondary student than for each primary student, and nine times more for upper secondary, which is high by international standards. The most striking difference is still between primary and tertiary: each higher education student costs the state 83 times as much as a primary student. The ratio is coming down – in 2001 it was 118. (OPM & REPIM 2007, p8) The share of primary and pre-primary has increased significantly from a low of 18% of the total budget in 2004 to 43% in 2007, which represents a major policy shift influenced by the education sector dialogue. It has mainly led to a major increase in the capitation grant and construction expenditures. The share of secondary education has also increased from 15 to 27% of the total budget following the suppression of school fees in lower secondary education. In parallel, the share of higher education has dropped, from 49% of the total education sector budget in 2004 to 24% in 2008 and 14% in 2009. The target set by MINEDUC (ESSP) is to reach 50% of the recurrent education sector budget going to primary education by 2012.

3.32 The increase in spending on education as a percent of GDP has been partially mirrored in budgets per student since 2001 when considered in real rather than nominal terms. Primary expenditure per student in 2006 was budgeted at 17 per cent more than in 2001 while higher education budgeted expenditure was only four fifths of that in 2001. On the other hand secondary budgets per student have been falling in real terms since 2004, although they are still eight per cent higher than in 2001.

**Figure 3.1 Evolution of education budget and allocations to sub-sectors over time**

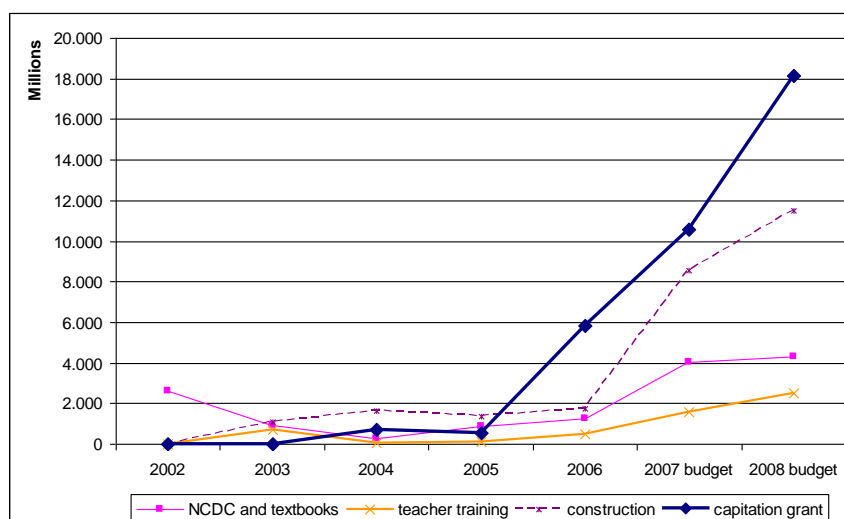


Source: Mokoro & ODI 2009

3.33 Key budget lines on access to quality basic education (capitation grant, textbooks, teacher training, school construction) have increased at a much higher rate than the overall education budget since 2005. Only teacher salaries have increased at a very moderate rate.

<sup>14</sup> Equals USD 22.5 at 2006 average exchange rate of RWF 558 for USD 1

Figure 3.2 Evolution of key education budget lines (2002–2008)



Source: Mokoro & ODI 2009

3.34 Nearly half of recurrent education spending is now allocated to districts in the district budgets, for salaries, capitation grant, school feeding subsidies for secondary schools, and an amount for technical education. (OPM & REPIM 2007, p7)

3.35 Regarding budget execution, the last Public Expenditure Review (OPM & REPIM 2007) noted "total execution of the budget is now much closer to budgeted figures than in the past". This illustrates an improved capacity for planning and budgeting by MINEDUC. Although the overall budget execution is very good (98% in 2007), there are variations between programmes and sub-programmes and particularly on teachers' salaries. Overspending on higher education in 2003, 2004 and 2005 has been reined in the recent years. Nevertheless, current information on budget execution represents information on disbursements by central government, and does not (yet) present information on actual expenditure (for example budget execution of district transfers or transfers to semi-autonomous agencies such as Higher Education Institutions (HEI) imply that money has been transferred to these institutions, but information is not provided yet on whether and how this money has been spent). Improvements on reporting on actual expenditures should come in the coming years with the strengthening of the accounting systems and reports (Mokoro & ODI 2009, p8).

3.36 Finally, the education budget has increased in visibility and transparency over the years, with an improved alignment with the ESSP priorities and sub-sectors. Amounts budgeted for each sub-sector identified in the ESSP are now clearly separated in the budget and aligned with the annual work plan, allowing a comparison between budget and specific objectives for the sector.

3.37 Annex C presents a graphic representation of the flow of funds in the education sector and Annex D presents a summarised analysis of the alignment of different aid modalities in support to the education sector with national planning, budgeting and expenditure processes.



## 4 Overview of the FTI in Rwanda

### Initial contacts

4.1 At the November 2004 EFA-FTI Partners' meeting in Brasilia, 16 African countries, of which Rwanda was one, were listed as "FTI potential 2005" (World Bank 2005a). In 2004, an invitation letter to apply for endorsement by the FTI was sent to GOR.

### 2006 request and endorsement of Education Sector Plan (ESP)

4.2 Early 2006, Rwanda expressed interest to join the Initiative, based on its recently adopted ESSP, which encompasses EFA goals. All local donors supported this request.

4.3 Rwanda applied only in 2006, despite the fact that it had developed a sector policy and strategic plan since 2003, mainly because the local donor group did not feel the country was ready for application to the FTI endorsement, and because it was not clear how it would benefit from the FTI endorsement in the early stages of the FTI. There was also concern among the local donor group, in particular DFID, that intervention from a global programme could upset nascent processes at local level.

4.4 In preparation of the request, DFID (lead donor) financed the consultancy assisting Rwanda on the EFA-FTI technical appraisal, and the World Bank Education Team supported the counterpart national team through comprehensive policy dialogue and technical assistance in conjunction with its Poverty Reduction Support Grant (PRSG) and an education sector investment project.

4.5 During the technical appraisal, the FTI Secretariat – based on a request by local donors and although this is not a standard requirement for the FTI endorsement – informally requested that GOR follow up on the Abuja meeting of finance ministers and develop a 10-year plan and financing framework for the education sector by September, which was done through the development of the LTSFF. Even though the detailed costing in the ESSP covers a five-year period, this is based on original analysis that projected sustainable sector financing scenarios up to 2015. The FTI Secretariat proposed to update the ESSP financing strategy to factor in costs of recent new policy initiatives, in particular universal nine-year basic education and decentralisation of service delivery to the District level.

4.6 In August 2006, the FTI Secretariat wrote a letter to the FTI donors (FTI 2006b) to inform them of the process and request the support of their country offices, in particular by preparing "a statement of their financing commitments for the education sector (including through budget support where applicable)".

4.7 In September 2006, donors transmitted to the FTI Partnership their positive appraisal of the ESSP and LTSFF, and the request for 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 mobilise an additional USD 26 million in 2007, USD 61 million in 2008, USD 65 million in 2009, and USD 71 million in 2010, with commitments to 2015 where possible (Education Donors, Rwanda 2006a).

## 2006–2007 Catalytic Fund support

4.8 In November 2006, during the Cairo Catalytic Fund (CF) Strategy Committee (SC) meeting, USD 26m grant was approved for 2007, and USD 44m for 2008. Minutes of the meeting mention that:

to respond to recipient countries' concern about aid predictability, an additional allocation of USD 44m for 2008 was also decided at that meeting. Access to each year's allocation is contingent upon a satisfactory implementation of the previous year's grant" and availability of CF funding. It also mentions that "The CF SC made the decision to allocate the full amount requested by Rwanda in 2007, i.e. USD 26m. Members of the Committee noted the apparent decline in both domestic and external financing in 2008. They therefore decided to approve a CF allocation of USD 44m for that year instead of the requested amount of USD 61m, so as to encourage local donors to increase their funding (FTI 2006e).

4.9 The minutes of the Cairo meeting did not mention the supervising entity or the aid modality.

4.10 At the time when the CF approved support for Rwanda, the education sector was already benefiting from significant levels of Sector Budget Support, and the Joint Education Sector Support had been signed, under the auspices of the Ministries of Finance and of Education, and with strong support from DFID. Both Government and local donors therefore strongly requested that CF support be provided in the form of Sector Budget Support. At the time, no such instrument existed within the World Bank (WB). The WB was nevertheless appointed as supervising entity, despite the fact that it did not have a specific instrument at its disposal to provide SBS and that it was not strongly involved in the sector coordination, mainly for reasons of capacity and of lack of information in the local donor group about the possibility of appointing other donors as supervising entities. See ¶5.84 and ¶5.85 for more details on the choice of Sector Budget Support as an aid modality for CF support.

4.11 In September 2007, a grant letter of agreement was signed between the WB and GOR. The model for this letter of agreement is based on an investment lending project and not on a Development Policy Operation (DPO) (World Bank budget support operation). Nevertheless, funds are to be channelled as Sector Budget Support. It includes for example a list of "excluded expenditure", requires for Rwanda to "retain, until at least one year after the WB has received audit report [...] records evidencing such expenditure". It also specifies that support for 2007 would be provided in two tranches of USD 13m each, based on positive review of performance. Conditions for the release of the second tranche included approval of the annual action plan (for the programme) for the following year and satisfaction with the progress achieved in carrying out the programme. An audit was foreseen after the end of each fiscal year ("the recipient shall have financial statements for each fiscal year audited, in accordance with consistently applied auditing standards acceptable to the WB, by independent auditors acceptable to the WB").

4.12 The first tranche for 2007 (USD 13m) was disbursed in early 2007.

4.13 In September 2007, a specific report was presented by GOR to the WB and the FTI after the disbursement of the first 2007 tranche, showing budget execution as of September 2007, in a specific format. In December 2007, a letter was sent by MINECOFIN to the WB requesting disbursement of the second 2007 tranche (USD 13m). In January 2008, a letter was sent by DFID to the WB specifying that the local education donor group endorsed the 2008 annual action plan. The second 2007 tranche was finally disbursed in 2008.

4.14 In September 2008, an amendment to the letter of agreement was signed by GOR and the WB, to include the 2008 CF funding in two tranches of USD 22m each, update the audit requirement and update conditionality requirements to approval of the annual action plan for the education sector instead of for the programme itself, in order to ensure better alignment with national and existing processes. The section requiring that "the recipient shall maintain a financial management system, including records and accounts, and prepare financial statements in accordance with consistently applied accounting standards acceptable to the World Bank" was suppressed, and the requirement for the audit modified from an audit of "financial statements for each fiscal year" to an audit of the SBS account where the funds are deposited.

4.15 The first and second 2008 tranches were disbursed respectively in October and December 2008.

### **2009 Catalytic Fund support**

4.16 The local donor group endorsed a 2009–2010 bridging grant application and attached documentation (2009 MINEDUC operational plan and budget, 2008 FTI progress report, 2008 aide memoire of Joint Education Sector Review, revision of financing gap) in March 2009. This endorsement is based on ESSP 2008–2012 and on the LTSFF 2006–2015. No additional appraisal of the ESP was carried out. The request asks for the mobilisation of USD 35m from the CF in support to the 2009 mini-budget and the 2009/10 budget.<sup>15</sup>

4.17 In addition to Donors' appraisal, an External Quality Review (EQR) was carried out to assess the request in March 2009. This EQR was a pilot exercise as the EFA-FTI Secretariat was asked to organise EQRs for all 2009 CF requests. It aims at assessing the fit between needs and demands, the rationale for CF resources rather than more bilateral funds, the robustness of the funding gap equation, the contribution of the CF grant to aid effectiveness and the soundness of the connection between the CF requests and education sector plans (FTI 2009c). In Rwanda, the EQR led to the requirement for further information on the different scenario used for calculating the financing gap (MINEDUC-Donors, 2009), but concluded its review of the request as "moderately satisfactory" and recommended the funding of the CF (FTI 2009c).

4.18 The CF Steering Committee approved USD 35m for Rwanda in 2009, as a one-year bridging grant during its meeting in April 2009. The WB remains the supervising entity, but the modality is changed to a Development Policy Operation, as outlined in box 4.1 below. (FTI 2009c). The "bridge" provided by the 2009 allocation is between Rwanda's previous CF allocation (2007–2008) and a potential future allocation for 2010–2012 based on a revised LTSFF and ESSP.

#### **Box 4.1 Justification for the choice of a DPO as aid modality**

- A DPO provides a vehicle for effective support to the Government's Nine Year Basic Education programme, by allowing consultations between the government and development partners to focus on the needed policy and institutional reforms that would not easily be incorporated in an investment operation.
- A DPO is a step forward in the implementation of the Paris Declaration commitments.
- The proposed operation serves to increase on-budget support to government priorities in the education sector, contributing to mitigating the risks associated with poor predictability of international aid.

*Source: Request to the Catalytic Fund - FTI 2009b*

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<sup>15</sup> Rwanda changed its fiscal year in 2009, from Jan/Dec to July/June in order to align it with East African Community. A six-months "mini-budget" was prepared for Jan/June 2009 in order to allow the transition to the new fiscal year.

4.19 Overall, the total allocation of the CF to Rwanda between 2007 and 2009 is USD 106m<sup>16</sup> (7% of total CF allocations until April 2009). The total amount disbursed to date by the CF to Rwanda is USD 70m, which corresponds to 14% of the total USD 491m disbursed by the CF between 2004 and 2009 (second biggest amount disbursed to a country after Kenya). The FTI CF disbursements in 2007 and 2008 represent nearly 50% of the total external support to the education sector in 2007 and 2008. Table 4.1 below provides a synthesis of amounts requested, allocated and disbursed since 2007.

**Table 4.1 CF Amounts requested, allocated and disbursed to Rwanda as of July 2009**

USD million	2007	2008	2009	2010
Request #1	26	61	65	71
Request #2				35*
CF allocations	26	44	35*	
Disbursements	13	67	0	

\* Note: Rwanda changed its fiscal year in 2009 from January–December to July–June, therefore had a 6-months budget in January–June 2009 followed by the 2009/10 budget.

Source: Author

### **Norwegian Education Trust Fund (NETF)<sup>17</sup> and Education Programme Development Fund (EPDF) support to Rwanda**

4.20 The NETF disbursed a total of USD 361,000 in support to Rwanda over its existence (1998–2005). This support in particular contributed to financing the 2003 Country Status Report (CSR) with WB, and support from SEIA (Secondary Education in Africa)<sup>18</sup> to develop secondary education and training strategy.

4.21 The EPDF has allocated approximately USD 600,000 in support to Rwanda between 2006 and 2008 (FTI 2008c), almost all of it to fund regional activities and very little for Rwanda-specific activities. In particular this allocation has contributed to financing in 2008 its participation in a FTI Capacity Development workshop, and the evaluation of the impact of contractual teachers – Africa Program on Education Impact Evaluation (APEIE). It is also expected to finance the update of the Country Status Report – potentially in preparation of a future DPO for 2010–2012.

<sup>16</sup> 4<sup>th</sup> after Kenya (USD 121m); Madagascar (USD 145m) and Guinea (USD 118m)

<sup>17</sup> The NETF is the precursor of the EPDF for sub-Saharan Africa. It was launched in 1998 and funded by Norway. It was replaced in 2006 by the EPDF, which is funded by FTI partners. As such, the NETF cannot be considered as an FTI input.

<sup>18</sup> [www.worldbank.org/afr/seia](http://www.worldbank.org/afr/seia)

## 5 Key Issues

### The FTI and education policy and planning

#### Context, existing processes and non-FTI inputs.

5.1 Chapter 3 presents an overview of education policy and planning in Rwanda since 2002. The major non-FTI input to be considered over the period is Government's commitment in universal nine-year basic education and a strong focus on science and technology, illustrated in its Vision 2020, PRSP and EDPRS documents. "Rwanda has demonstrated considerable leadership and dynamism in its education sector, and is both ambitious and determined to develop the human capital required through education" (FTI 2009b). Other inputs included in particular strong support from education donors, in particular DFID, to the development of an education sector plan between 2000 and 2003; the Country Status Report in 2003 funded by the NETF and the World Bank and carried out by the World Bank; the policy dialogue with donors in particular during the Joint Education Sector Reviews held annually since 2003; and the Public Expenditure Reviews (PER) of 2003 and 2007.

#### FTI inputs

5.2 FTI's influence on education policy and planning in Rwanda has been mainly (i) in terms of process, through the requirement for the LTSFF to be developed in 2006, providing a 10-year framework and thorough costing for the sector strategy, and through the requirement for an appraisal of the Education Sector Plan (ESP) in 2006 by the local donor group; (ii) in terms of content, through the Indicative Framework (IF) indicators and benchmarks, and through the EPDF funding for impact evaluation of contractual teachers; and (iii) in terms of financing, through the support provided by the CF in 2007, 2008 and 2009.

#### Relevance, effectiveness, efficiency and sustainability

5.3 **In terms of process**, Rwanda had developed a solid Education Sector Policy and Education Sector Strategic Plan between 2000 and 2003, before the FTI was created, and long before its application to endorsement to the FTI. It is interesting to note that the local donor group at the time considered that local processes (planning, annual review, sector coordination) needed to be strengthened before seeking endorsement by the FTI, among other things to avoid potential disruptions from the intervention of a "global programme".

5.4 Based on a request by the local donor group, the 2006 endorsement required the development of a ten year plan: the LTSFF. (See ¶4.5) The LTSFF was developed on top of the existing ESSP in 2006 (the ESSP existed since 2003 and its 2006–2010 update was finalised in April, and the LTSFF in September). The LTSFF provides a 10-year perspective while the ESSP provides only a five-year perspective, and it was argued by the FTI Secretariat that the LTSFF was required in order to take into account recent policy developments (although the ESSP is in any case updated annually on a rolling basis). The FTI Secretariat's argument at the time was that this was only a minor exercise given that the ESSP was already based on a long term financial simulation model which provided the basis for the LTSFF. In practice, the drafting of the LTSFF was rushed over the period of a few months, and implied a comprehensive revision of the ESSP targets and costing. See Annex G for a comparison of ESSP 2006–2010 and LTSFF targets and costing. It was therefore a high transactions cost process, parallel to the existing planning framework.

5.5 Nevertheless, the thorough requirements on the quality and degree of detail of the costing did push MINEDUC to strengthen the quality of its costing and strengthen the link between objectives, strategies, plans and costs. The revised LTSFF targets included in

particular scaling up activities such as school construction, the school grants programme, teacher training and support, provision of teaching and learning materials, curriculum development, and the HIV/AIDS programme. The revised objectives derived from the LTSFF have since then been used in ESSP updates (2007–2011 and 2008–2012), as well as in the 2008–2012 EDPRS and have therefore been judged coherent and realistic by both Government and partners – despite the rushed and heavy process it involved. In the ESSP 2007–2011, LTSFF targets are, however, referred to as "FTI", illustrating the fact that the LTSFF is seen as a specific FTI request – despite the fact that it is not a standard requirement for the FTI endorsement.

5.6 It should be noted that recent (2009) government decisions to accelerate progress towards universal nine-year basic education (for example the LTSFF target to reach 75% transition rate from primary to secondary in 2015 has been fast tracked to reaching 100% in 2009) and make some significant policy changes (see ¶3.10), are not related to the FTI or IF benchmarks but to an internal dynamic promoted by the adoption of the 2008–2012 EDPRS, and the use of the "rapid results approach"<sup>19</sup> (World Bank 2009). Since all donor support and in particular SBS is based on the ESSP and LTSFF, intensive discussions with donors have taken place to ensure compatibility with overall partnership agreement. The FTI CF support request for 2009 takes into account the financial impact of the "fast tracking" of the nine year basic education outlined above. See also 5.81 for discussion on ownership.

5.7 The donor appraisal of the ESP was a thorough exercise, which was carried out by the donors themselves, under the leadership of DFID as the lead donor. Both the appraisal and the fact that the FTI CF support was provided using SBS modality may have contributed – along with other SBS support – to a strengthening of the quality of education sector dialogue and planning processes:

several government representatives interviewed outline the benefits of the SBS approach to broaden the focus of the discussion and include all levels of the education sector. Non-SBS donors interviewed also recognise that the focus of SBS-related policy dialogue and conditionality on the overall sector policy and performance has contributed significantly to the quality and inclusiveness of the planning process and coordination meetings discussions.

Increasingly, government has pro-actively chosen to consult and work together with donors during the drafting of key policies in the education sector (TVET, Girls education, etc). Many interviewees attribute this tendency to the willingness of Government to associate donors with policy making as early on in the process as possible, in order to build trust and confidence, in particular with SBS donors. Although it is difficult to assess the influence of donors on these policies, it can be assumed that a more inclusive process for policy making should have led to improved policies (Mokoro & ODI 2009).

5.8 Finally, SBS also had an indirect influence on government planning process. In order to foster a sector-wide integrated approach coordinated with project donors, Government has decided to develop costed policy and strategies in sub-sectors where mainly project donors operate so far: ICT and TVET, with the objective of providing a framework for a potential move to SBS. This influenced not only other sub-sectors in the education sector but also other sectors in GOR such as health, agriculture, justice and transport. (Mokoro & ODI 2009, p33)

5.9 **In terms of content**, the FTI – through the appraisal process, which used the IF benchmarks as a point of reference, and the study financed by the EPDF – have contributed to an enhanced focus on the issues of completion and teacher management and motivation.

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<sup>19</sup> <http://www.rapidresults.org/>. The aim of Rapid Results "is to shift social and economic development efforts toward proven results and performance-driven approaches". Rapid results is a non-profit organisation established in 2007.

These issues were of particular relevance to the situation in Rwanda (see Chapter 3), as the low completion rate and the lack of teachers are the two main challenges to accelerate progress towards Universal Primary Completion (UPC). Nevertheless, it should be recognised that the FTI has not been a major driver behind these changes, but has only contributed to an existing dynamic.

5.10 The focus on completion, and the emphasis on the high repetition and drop-out rates mainly came from the 2003 CSR<sup>20</sup>, financed by the NETF and the WB, and carried out by the WB, which led to a cap being imposed on repetition rates ("reducing grade repetition would appear to warrant priority attention as part of the country's strategy to achieve universal primary education", the good performance in NER "is unlikely to persist given the exceptionally high rate of grade repetition in the system-about 34 percent in 2000-01 or more than three times the rate a decade earlier. In line with what is widely believed to be good practice based on cross-country experience, it would make sense for the country to aim for a medium target of, for example, 10 percent and to put in place measures to rationalise policies and practices regarding grade-to-grade promotion, as World Bank 2003a, p26). Nevertheless, this issue was also raised strongly in the 2006 appraisal by the local donors:

Primary Completion rates have increased over time, but remain under 50%, significantly lower than the sub-Saharan average of 61% and far from 100%. The repetition rate in primary education is a high 18%, 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% cite failure on the primary school leaving exam as the main reason for dropping out (CWIQ survey). An estimated 104,000 children of primary school-age are not in school (Education Donors, Rwanda 2006a, p5).

5.11 Similarly, the enlarged focus on **nine year basic education** was mainly pushed by the 2003 CSR ("To develop appropriate policies governing the progression of students from cycle to cycle, it is helpful to distinguish the *tronc commun* cycle from the upper secondary cycle. The former can be thought of as a continuation of the primary cycle; thus, to the extent that resources permit, it would be appropriate to aim for universalising access to this cycle as a medium-term objective", World Bank 2003a) and GOR's internal policies, but the FTI approach was flexible enough to adapt and use the sector wide plans (ESSP and LTSFF cover the whole education sector) as a basis for endorsement and for CF support.

5.12 The need to focus on **teacher training and numbers** was highlighted in 2003 in the CSR, and the 2006 appraisal by donors draws attention to it as a key issue and weakness in the ESSP:

Achievement of universal primary completion will require significant attention... to 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...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 be needed during the first three years of the plan (e.g. 2007-2009). Otherwise, the pupil: teacher ratio will climb to 68:1.... 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...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

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<sup>20</sup> The CSR tool itself was indirectly influenced by the FTI process, and by the Indicative Framework

outdated, and aside from occasional ad hoc summer courses, there is no system to support and motivate teachers in the classroom. (Education Donors, Rwanda 2006a)

5.13 The issue of **teachers salaries** *per se* was not a major focus of the discussion during the appraisal in 2006, since as outlined in the LTSFF, "current salary expenditure per staff is around 3.3 times GDP per capita at primary level and 6 times GDP per capita at secondary level" therefore in line with the IF benchmark. The study on Sector Budget Support in Practice in Rwanda (Mokoro & ODI 2009) outlines that the reason for a low teacher payroll overall is that

GOR has decided to keep the increase in the total amount of teacher salaries at 3% per year, in line with the overall requirement in the International Monetary Fund (IMF) programme to keep increases in the total civil service wages at 3% per year. This puts a clear limit on both increases in salaries and in number of teachers. However, it appears that this may be an overly strict interpretation of the IMF conditions, which might allow increases in service delivery staff. The IMF does not participate in education sector discussions, and the issue of a potential increase in teacher payroll remains a contentious one between MINEDUC and MINECOFIN.

5.14 FTI's contribution on the issue of teacher numbers and pay has, however, been significant, mainly stemming from the CF funding. The CF support, along with SBS by other donors, has provided the financial support which has allowed a significant increase in the capitation grant in 2007 and 2008 (see Box 3.2, Figure 3.2 and 5.34). In turn, this has allowed the hiring of contractual teachers (more than 1,000 contractual teachers hired in 2007 and 1,968 teachers in 2008 which, along with increased output from teacher training colleges, has helped to improve the pupil per teacher ratio from 74:1 in 2007 to 65:1 in 2008. (FTI 2009b). It has also allowed the provision to each teacher of an allowance ("bonus") of RWF 12,500 which has provided a significant increase in teachers' income (+30%), and has improved the motivation of the teachers and the status of primary school teaching. (Mokoro & ODI 2009, p45). The reason for the choice of contractual teachers and provision of a "bonus" as opposed to hiring more teachers and increasing teacher salaries is not related directly to the IF benchmark on teacher salaries, since Rwanda was broadly in line with it. It was related more to the overall limit on civil service payroll increases, and indirectly to the lack of predictability of external financing over the medium to long term and related considerations on aid dependency.

5.15 However, many of the achievements of the capitation grant with respect to improving the motivation of teachers reflect a broader failure to address the problems of low teacher remuneration as well as professional support. A recent study on teacher pay, motivation and incentives (Bennel 2008 in Mokoro & ODI 2009, p46) indicates that:

the total net basic income of the A2 primary school teacher is around RWF 40,000 (USD 73) per month, which is far below a living wage let alone the standard of living expected for a professional level civil servant. The recently introduced "annual performance bonus" for primary school teachers of RWF 12,500 per month has increased net pay by around one-third. [...] In real terms, teacher pay has declined precipitously since the late 1980s. [...] There is no realistic prospect of sizeable pay increases (in real terms) for teachers in the foreseeable future.

5.16 The impact evaluation study funded by the EPDF – although most studies refer to it as WB funded and not EPDF funded – should provide further substantial insight into the impact of to move towards hiring contractual teacher on teacher motivation – which started in 2007 through the capitation grant – and quality of teaching. In addition, as mentioned in the 2007 PER (OPM & REPIM 2007, p9):

Planners do not know enough about teacher employment, so it is essential that the Teacher Service Commission (set up in 2008) become fully operational in the near future to fully analyse the issues relating to employment and training of teachers and pro-

actively plan for the sector's pressing future needs to recruit teachers. Neither MIFOTRA nor MINEDUC has accessible data to show teachers recruited or leaving the system each year. Thus, it is not easy to plan for teacher education, or to know the scale of likely shortages.

5.17 In terms of **effectiveness**, the information provided by MINEDUC to the FTI in 2007 and 2008 (MINEDUC 2007a, MINEDUC 2007b, and MINEDUC 2008a) indicates that:

The annual target of 1,500 for the construction of primary classrooms in 2005 rose to 1,800 in 2006 and is projected to go close to a figure of 2,500 in 2007. In 2008, 2,315 classrooms for basic education were constructed.

5.18 The number of textbooks procured for primary schools in 2007 is 3,226,100. The PER 2007 mentions that "Textbooks have been absent from classrooms at all levels but with World Bank funds and FTI resources in 2007 there is the opportunity to fill this gap". This information is corroborated by the findings of the study on Sector Budget Support in Practice Rwanda case study (Mokoro & ODI 2009), in particular by the size of the FTI CF support relative to the basic education budget – thereby leading to a significant increase in key budget lines in basic education (see ¶5.34).

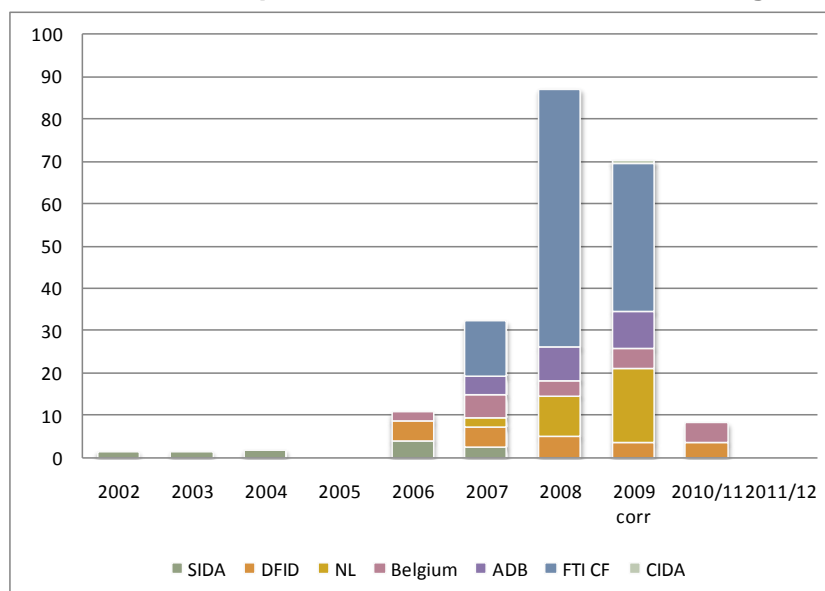
5.19 Finally, with regard to **sustainability**, three potential issues represent a risk for the current positive evolution in the long term: (i) a disagreement between local donors and government on the policy implications of the fast tracking of the nine-year basic education (see 5.81) could undermine the currently high level of trust, quality of dialogue and strength of the partnership between GOR and donors; (ii) the issue of teacher management, pay and motivation will need to be addressed as a whole. The findings of the evaluation of the impact of the move towards hiring contractual teachers may be useful in that respect, as well as a better linkage between sector level policy dialogue and overall civil service reform processes; and (iii) the lack of predictability of SBS and CF funding in the medium to long term (see 5.94) could limit the policy options of Government and restrict policy decisions with a significant long term effect on recurrent costs (in particular with regard to the civil service payroll).

## The FTI and the financing of education

### Context, existing processes and non-FTI inputs.

5.20 Chapter 3 presents an overview of education financing (domestic and external) since the early 2000s. The main non-FTI inputs to the sector were the strong willingness of some donors, in particular DFID, to push the evolution towards SBS financing, and the considerable increase in GBS since 2005.

5.21 Key FTI inputs in the area of financing are: (i) the requirement for the LTSFF to be developed and the costing developed in order to assess the financing gap; (ii) the IF benchmarks in particular for inter and intra sectoral resource allocations; (iii) the financial support from the Catalytic Fund and EPDF; and (iv) the effect on mobilising domestic resources and additional donor support. The FTI CF resources represented in 2007 and 2008 respectively 40% and 70% of the total amount of SBS (Mokoro & ODI 2009), and an estimated 50% in 2009, as illustrated in Figure 5.1. They represented 13% of the total education budget in 2007 and 31% in 2008 (see Annex F, Table F.2), and nearly 50% of external support to education over the two years.

**Figure 5.1 Actual and planned disbursements of SBS Programmes (USD m)**

Note: the year 2009–2010 was adjusted to provide comparable trends: the 6 months of the 2009 mini-budget were combined with the 2009/2010 budget and proportionally adjusted to a 12 months period. The above table does not include education tranches in GBS programmes (DFID, Sida) Source: Mokoro & ODI 2009 updated by the author

## Relevance, Effectiveness, Efficiency and Sustainability

**5.22 Sector costing.** The preparation of the LTSFF required for FTI endorsement required a revised costing of the education plan. Although the financial simulation model was initially developed in the framework of the 2003 CSR and was used as a basis for the ESSP since 2003, the joint work with donors on the costing of the LTSFF – which led to the calculation of the financing gap used for the request to the CF – required a thorough revision and update of hypotheses and cost estimates. The LTSFF included six financing scenarios, of which one was selected in coordination with education donors.

**5.23 Definition of the financing gap.** The financing gap calculated in the LTSFF, and used as a basis for the 2007 and 2008 CF support, takes into account the whole education sector, excluding science, technology and research which fall under a separate ministry. The gap is based on an objective of achieving universal primary completion by 2015. This financing gap was updated in 2009 in order to prepare the request for the bridging gap to the CF. The objective of this update was to take into account the fast tracking of nine-year basic education and EDPRS objectives (see ¶5.6) and higher than foreseen inflation in 2007 and 2008. (MINEDUC & Donors 2009a). MINEDUC will use these revised estimates in drafting the future LTSFF 2010–2025. In both cases, the FTI CF support did not fill the financing gap as estimated in the request. In 2006 this was due to the desire by the CF Steering Committee to entice donors to increase their support to the education sector – and to concern with the apparent downfall in donor support to education in year 2 of the application (see ¶4.8). In 2009 the amount requested did not cover the entire financing gap for the 2009 mini-budget and 2009–2010. It was calculated by the local donor group in an assessment of the financing gap for basic education, and an estimate by GOR and local donors of what would be acceptable for the CF Steering Committee.

**Table 5.1 Financing gap and CF funding (USD m)**

	2007	2008	2009 & 2009/10
Financing gap estimated (donor appraisal)	26	61	65 (initial estimate in 2006 for 2009 only) 6.3 + 116 = 122.3 (revised estimate in 2009)
Request to FTI CF	26	61	35
Amount endorsed by CF steering committee	26	44	35

Source: Author

5.24 Regarding the sector coverage of the financing gap and the FTI CF support, the Country Information Fiche (CIF 2006) seems to indicate that the coverage was extended beyond primary education in 2007 and 2008 in order to ensure alignment with existing plans and processes:

There is no obvious satisfactory way to identify the gap for primary education only. This problem is related partly to how to deal with budget support, but also partly to the whole concept of FTI and its financing. The first principle to maintain is that Rwanda's is a sector wide programme, which prioritises achievement of the MDG/EFA goals for primary education, accompanied by a credible financial framework, all of which donors fully endorse.

5.25 Annex I provides a comparison between the 2007 budget initially endorsed and revised following the FTI CF support endorsement (OPM & REPIM 2007), and shows that the FTI CF has contributed to an increase in the whole education sector budget (with the notable exception of higher education), and is therefore not additional strictly on basic education.

5.26 Nevertheless, the approach for the 2009 request seems to be more restrictive in that although the financing gap calculated covers the entire education sector, the request to the CF covers only basic education. In addition, the External Quality Review process (see 4.17 and 5.99) led to further information being provided by GOR and local donors on the different scenario for the calculation of the financing gap, in particular further explanation of the difference with the financing gap submitted in 2006 (which covered 2007–2010).

5.27 **Mobilisation of internal resources.** One of the main differences between the ESSP (2006–2010) adopted in April 2006 and the financing framework in the LTSFF adopted a few months later was the increase in the targeted financing of the education sector: education expenditure as a share of the total budget target for 2010 increased from 18.5% in the ESSP to 25% in the LTSFF.

5.28 The LTSFF financing framework was used during the preparation of the EDPRS financing framework, and served as a reference for MINECOFIN when preparing envelopes per ministry, as it was understood as a conditionality for access to the FTI CF funding.

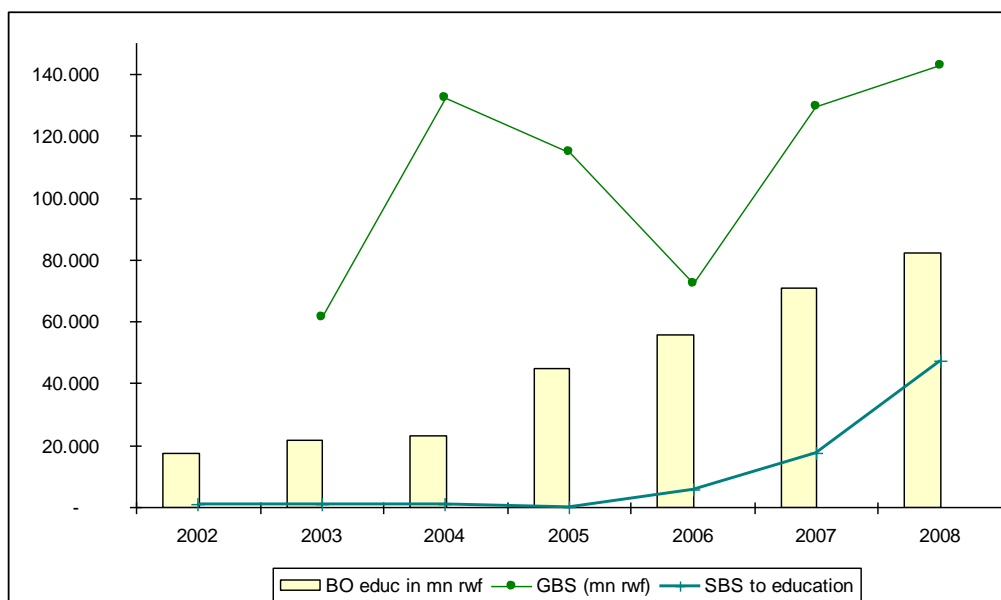
MINECOFIN officials mention the influence of the costed Long Term Strategy and Financing Framework (LTSFF) as a guide for budget allocations to education (both to the sector and intra-sectoral). The LTSFF was used because it provided an overall financing framework linked to a clear strategy and objectives, endorsed by education donors and serving as a basis for the FTI grant (representing 8% of the total recurrent budget in 2008) (Mokoro & ODI 2009).

5.29 In addition, the mere size of the FTI funding compared to the education and primary education budget make its impact on the levels of budget allocated to education undeniable, even if it was not earmarked. The 2007 PER notes that "primary real budgets per student have been rising since 2004 and with FTI inputs to the 2007 and 2008 budgets can be

expected to rise again in real terms... Salaries account for about 60% of total spending, down from a high of 70% in 2003; goods and services were 28% in 2006 and will increase in 2007 with FTI funds... FTI funds allowed a 35% increase in expected 2007 spending".(OPM & REPIM 2007, p18 and p7)

5.30 It is nevertheless also important to note that the biggest increase in the budget of the education sector took place in 2005, prior to the significant increase in the provision of SBS, and potentially more directly linked to the high increase in GBS levels in 2004 (see Figure 5.2). Chapter 3 provides further details on the increase in education sector financing since 2005, and associated increase in key budget lines.

**Figure 5.2 Evolution of education sector budget, GBS, and Education SBS**



Source: Mokoro & ODI 2009

5.31 **Balance between sub-sectors.** The appraisal of the ESSP and LTSFF by local donors in 2006 and the ensuing discussion on the financing framework and financing gap gave great emphasis on the issue of the over-financing of higher education. The appraisal by the local donors (Education Donors, Rwanda 2006a) notes that "whilst funding for primary education has increased, and is planned to increase further, there is still scope for 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". The appraisal discussed in particular three of the LTSFF scenario, and decided that a scenario "which suggests a reduction in student subsidies (and better targeting) at higher education, represented the most appropriate financing gap". The selected scenario does not require a reduction in projected expenditure on TVET over the medium term, but "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". The IF benchmarks were also used as a reference to promote a higher share of primary education in the education budget. The LTSFF outlines that "primary education's share of education recurrent expenditure rose from 40 to 45 percent between 2003 and 2006. However, this is still low compared to other SSA and low-income countries and is projected to increase towards 50%". Although local donors had long been insisting on the need to reduce the share of the education going to higher education (World Bank 2003a), and key measures had already been taken by Government (Higher education law voted by Parliament in 2005, inclusion in ESSP (2006–2010), the inclusion of this concern in the FTI appraisal contributed to giving it further weight.

5.32 In addition to the LTSFF and the appraisal process, the FTI's contribution to the intra-sectoral allocation balance came from the notional earmarking of CF support to basic education. The 2006 CIF notes that: "the activities considered for funding through the CF grant are activities that were programmed in the Education Sector Plan, but not in the budget because of lack of resources. Thus, there will be real additionality of this new funding. Furthermore, all these activities are related to the basic education sector." Although the FTI CF funding is not formally earmarked on basic or primary education, it is "notionally earmarked": MINEDUC justifies in its annual progress report to the FTI on the amounts actually spent on basic education, and for 2007 and 2008 on the amounts corresponding to the FTI CF support within this. The case study on Sector Budget Support in Practice in Rwanda (Mokoro & ODI 2009) notes that since 2005 "there has been significant realignment of sector budget allocations towards Primary Education and away from tertiary, whilst the key budget lines within primary have expanded rapidly. This is very much related to the dialogue between donors (in particular SBS donors) and Government during the JRES, as well as to the notional earmarking (in particular of the FTI [CF]) on non-wage primary education expenditures".<sup>21</sup> Annex I shows that the bulk of the "additional effect" of the FTI CF support in 2007 was focused on primary education and teacher training, both in the recurrent (capitation grant, textbooks) and the development budget (classroom construction).

5.33 The Study on Sector Budget Support in Practice outlines the value of notional earmarking in order to avoid undue skewing of budget allocations:

The magnitude of the shift towards SBS, combined with the use of notional earmarking and additionality helped ensure that budget allocations continued to increase, but that GOR had increased flexibility in resource allocation. MINECOFIN interviewees expressed concern that the multiplication of SBS programmes in support to various sectors (up to 8 sectors expected to receive SBS in 2009/10), combined with the fact that donors in other sectors have a much more restrictive approach to earmarking and additionality, definitely restricts the Government's discretion power on budget allocations. (Mokoro & ODI 2009, p37)

### Box 5.1 Real and Notional Earmarking

**Earmarking:** A requirement that all or a portion of a certain source of revenue, such as a particular grant or tax, be devoted to a specific public expenditure. There are at least two broad types of earmarking: (i) **real earmarking**, whereby allocation, disbursement and spending of funds is via specified and separately identifiable budget lines. This bypasses the normal procedure by which revenue is pooled with all other revenue in a general fund and then allocated among various government spending programmes. This may involve the reimbursement of actual expenditures against pre-agreed budget lines. (ii) **notional or virtual earmarking**, whereby the allocation of budget support is justified against pre-agreed budget lines. Disbursements against these budget lines may also be made against a pre-agreed schedule, and there also may be requirements of additionality of funding to budget allocations to pre-agreed budget lines. However actual budget support funding is pooled with government revenues. Virtual and notional earmarking are equivalent terms. *Source IDD & Associates 2006.*

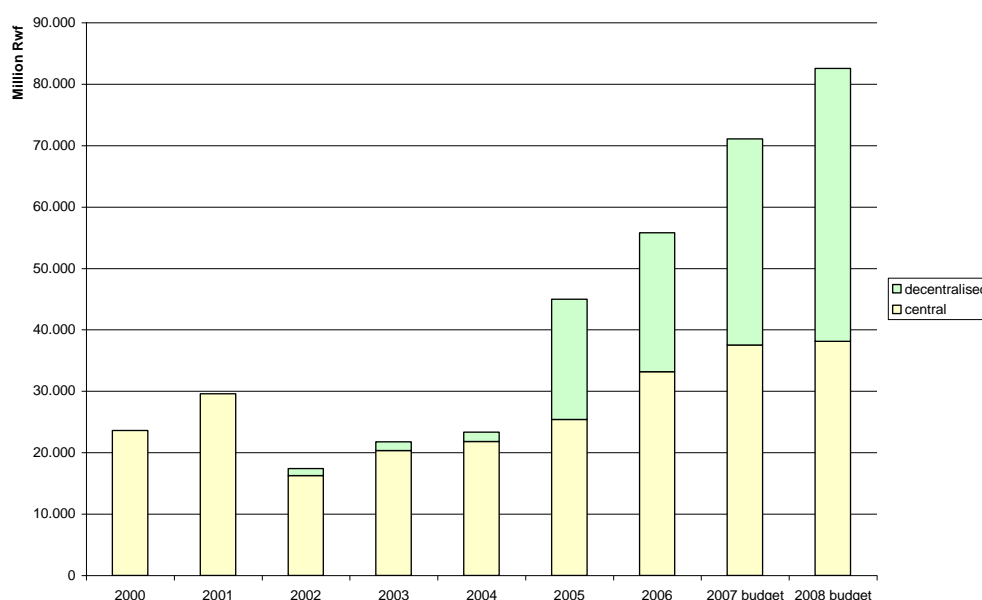
<sup>21</sup> Regarding the earmarking of FTI CF resources on non wage primary education expenditure, see in particular MINEDUC, 2007c, which includes the report on the FTI CF funds added to the 2007 budget. The reasons for the fact that FTI CF resources are not justified against wages may be (i) the requirement by the CF for clear additionality of its resources (leading to an increase in the existing allocation) – which is easier to show on relatively smaller budget lines; (ii) GOR's cap on the increase in the teacher payroll in line with its commitments with the IMF (cap on the civil service payroll)

**Additionality (of aid):** The extent to which aid funding for a particular expenditure leads to the availability of additional budgetary resources for the budgetary unit receiving the aid (e.g. the entire government sector, a specific sector or sub-sector). Additionality is intended to address the issue of fungibility. However even if the aid is all allocated as additional resources to the intended expenditure in full, additional revenues from government's own (tax) resources that might have been allocated to that expenditure may be subsequently allocated elsewhere so that spending on the intended area does not increase by the full amount of the aid. *Source: Mokoro & ODI 2008*

**5.34 Increase in key budget lines.** The study on Sector Budget Support in Practice in Rwanda (Mokoro & ODI 2009) highlights the influence of SBS as a whole (of which the FTI CF funding represents a very significant share) on the increase in key budget lines in the sector:

There are clear examples of where major donor concerns were taken into consideration during the finalisation of the education budget. Many government interviewees have mentioned the "protected areas" of textbooks, school construction, capitation grant and teacher salaries. In their views these are the main areas of donor interest that need to be protected both during budget preparation and during budget execution. They have clearly increased more noticeably than the overall education sector budget, in particular in the last 3 years. [The capitation grant] has increased significantly between 2005 and 2006, i.e. one year before the significant increase in SBS to the education sector, but continuous increase has been maintained since then. [...] The donor shift from projects to sector budget support aid modality has also helped rebalance the recurrent / investment composition of the education budget. [...] A concrete example was given by the Director of Construction in MINEDUC, whereby the increase in sector budget support has enabled MINEDUC to provide schools with transfers for school maintenance (through the capitation grant), which did not happen in the past despite significant amounts being spent through projects on school construction.

**5.35 Decentralisation of education budget.** The 2006 appraisal by local donors stressed that a strength of the education sector plan is the "emphasis on shifting resources to schools and districts" (Education Donors, Rwanda 2006a, p i). As shown in figure 5.3, the amounts being transferred directly to the decentralised level for service delivery have grown very quickly since 2005, to reach 44% of the total education budget in 2008. SBS funds, like other government resources, flow to service delivery entities through earmarked transfers to districts. The FTI CF support and other SBS contributed to the very significant increase of the capitation grant by 280% since 2006 (from RWF 2,500 per child in 2006 to RWF 5,300 per child in 2007 and RWF 7,300 in 2008 for primary), which is a direct transfer from Treasury to each primary and lower secondary school. It should however be noted that Districts have very limited say on the calculation of the amounts or on their execution. Their role is mainly restricted to oversight and monitoring.

**Figure 5.3 Education funding at central and decentralised level**

Source: Mokoro & ODI 2009

**5.36 Mobilisation of external resources.** As mentioned in the minutes of the Cairo CF Strategy Committee meeting (FTI 2006e), the committee was attentive not to crowd out donors and therefore endorsed support for 2007 smaller than the amount requested by GOR and donors (see ¶4.8). The objective to increase external support to education – directly through the CF or indirectly through increased support from other donors – was particularly relevant to the needs of Rwanda, as outlined by the 2003 CSR:

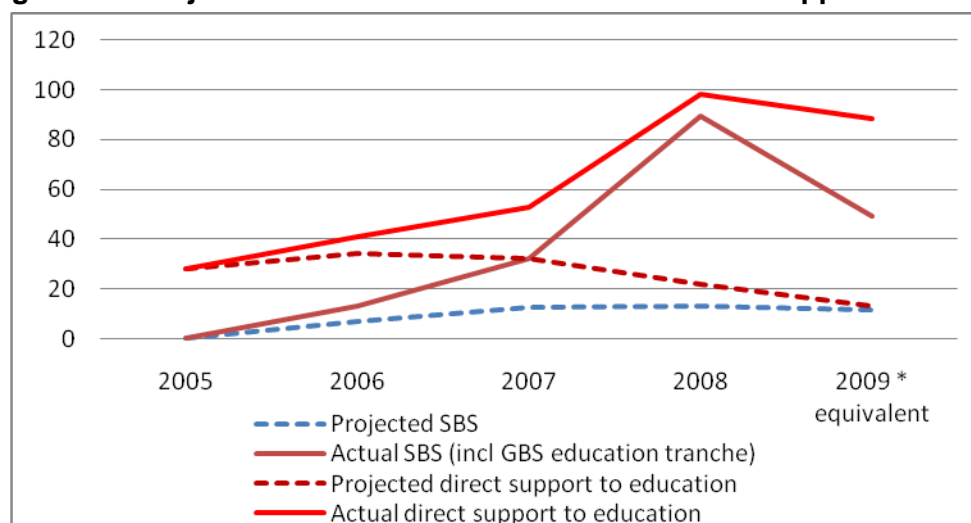
An increase in recurrent spending on education would depend on three underlying parameters and their expected trends: domestic revenues, external resource flows, and the education share of public recurrent spending. The first and last parameters are unlikely to rise dramatically, given their historical trends in Rwanda and the fact that education already claims more than a quarter of total public recurrent spending net of debt interest payments. That leaves increased external support for education as a source of increased spending on education. The prospects appear promising, although still tentative, at this stage. Like other countries, Rwanda benefited from debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative, and the expectation is that the country, along with the other countries, would use the resources thus freed to increase spending on education. Another reason for optimism about the availability of increased donor funding for education is the growing international consensus on and support for the Millennium Development Goals (MDGs). These goals include progress toward completion of primary education by all children by 2015 as one of the eight that are explicitly included. The MDGs are challenging donors to increase external funding for education and has already led to the launching in June 2002 of the Education For All (EFA) Fast Track Initiative. (World Bank 2003a, p10)

**5.37** The 2006 appraisal (Education Donors, Rwanda 2006a, p14) provided the following estimate of up-coming donor support to education:

Currently, over half of total external financing is from multilaterals – World Bank, African Development Bank, World Food Programme 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. [...] 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 (USD 2.5 million for a higher education project) and project/technical assistance for TVET and secondary teacher training.

5.38 Annex H and Figure 5.4 provide the comparison between estimated donor support to education as of the 2006 appraisal with actual. Actual donor support was much higher than foreseen for both 2007 and 2008, in particular SBS. France pulled out for political reasons. Sida moved from SBS to providing GBS with an education tranche, and is expecting to shift to GBS only in the near future. The Netherlands and Belgium have contributed significantly to the sector through SBS, and CIDA – although not foreseen at the time, has joined in also through SBS. Germany and Japan have contributed through project support focused on the TVET sub-sector. It is unclear how much of these new donor support can be attributed to the FTI endorsement. Canada seems to have indicated that their support was related to the FTI endorsement (interview notes by evaluation team), but it was also related to other considerations such as the preparation of their intended move to support the upcoming rural development SWAp (author interviews). It is also hard to say whether the CF Strategy Committee's decision to not allocate the full amount requested in order to "encourage local donors to increase their funding" in 2008 was effective or if, most probably, the apparent diminution in donor support to education stemmed from the absence of medium term commitments by donors (see ¶3.26). Overall, these additional funds are probably in larger part due to the signature of the JESS and the positive evolution of the education sector.

**Figure 5.4 Projected vs. actual education SBS and total support to education**



Source : Author calculations based on 2006 appraisal and Mokoro & ODI 2009 data

5.39 However, in the medium term these increases in external financing to the education sector may be jeopardised. The study on Sector Budget Support in Practice (Mokoro & ODI 2009) outlines that:

Many donors involved in SBS to the education sector have mentioned that the "division of labour" exercise may influence the future of their support to the education sector. This exercise launched and promoted at HQ level (EU Council resolution) and locally supported by GOR, sets limits to the number of sectors in which each donor should be involved in a specific country. Of the current eight donors providing support to the education sector through SBS, three have identified the possibility of a shift to GBS (Sida) or to another sector (CIDA to rural development, Belgium to focus on health) in the coming years. Although this potential evolution is related to HQ requirements, donors and government alike will need to discuss how this may impact the education budget. Donors recognise the value of this "division of labour" exercise, in terms of reduction of transaction costs. Nevertheless it should then be compensated by an increased amount of support by donors who remain in the education sector.[...] Other donors that provide support to the education sector through projects, like the World Bank, will not continue supporting the education sector, arguing that continuing support from FTI and new

entrants to the sector (Canada) will provide sufficient support to the education sector (World Bank Country Assistance Strategy 2009–2012).

See further discussion on predictability in the section on "The FTI and aid effectiveness".

**5.40 Predictability.** The FTI CF support endorsed in 2006 was provided for two years, through an initial one year programme (World Bank 2007b) expanded to cover 2008 (World Bank, 2008). The FTI CF support for 2009 and 2009/10 was endorsed for one year (bridging grant). The FTI CF support has therefore generally provided only very short term predictability to GOR (one year), and was signed late in the fiscal year (September in 2007 and 2008; endorsement in April 2009 therefore midway through the 2009 mini-budget and late into the preparation of the 2009/2010 budget). See section on Aid effectiveness for further discussion on predictability of aid to education and the FTI's contribution.

**5.41 PFM.** The FTI has contributed – along with GBS and other education SBS, to a stronger focus on strengthening national systems for budgeting and expenditures in the education sector. Donors' shift from project to SBS support may, for example have been one of the drivers for the fact that internal auditors have been placed in each district in 2007, with the specific responsibility to oversee schools' financial management, and that inspectors have been placed by the Inspectorate General in each province in 2008, in order to oversee the implementation and respect of education standards. Regarding budget execution the 2007 PER notes that "actual education spending has become much closer to the budget in recent years, indicating improved MINEDUC planning and management" (OPM & REPIM 2007, p7).

**5.42** A fiduciary risk assessment of the education sector was carried out in August 2005 to underpin the development of the Education Sector Strategic Plan 2006–2012, which was appraised and endorsed by in-country donor partners in 2006 along with the LTSFF for the first FTI CF Grant 2007/08. Since then, Rwanda has conducted a joint Public Expenditure Review of the Education Sector in 2007 with SBS development partners. A specific input from the FTI was the audit of the Sector Budget fund operations by the Auditor General's office (August 2008) required as a condition before the second 2007 tranche of the FTI CF was disbursed. The FTI audit report identified some minor procedural areas that MINEDUC and MINECOFIN are addressing jointly. The MINEDUC plans to conduct a Public Expenditure Tracking survey of capitation grants disbursed in 2008 and before Rwanda considers applying for a new three year FTI CF, an updated Fiduciary Risk Assessment will be carried out (FTI 2009b).

**5.43** On the downside, the lack of predictability of the FTI CF funding has put a considerable strain on the management of resources by GOR: the late endorsement of the 2007–2008 support by the CF (November) meant that the FTI CF support had to be included in a revised budget law; the late disbursement of the 2008 tranches required MINECOFIN to advance the funds to MINEDUC pending arrival of the funds.

## **The FTI and the data gaps**

### **Existing processes and non-FTI inputs**

**5.44** In terms of data collection, MINEDUC has started developing its EMIS (Education Management Information System) – funded by DFID through a separate project, which should be operational as of 2009 and should allow timely and more accurate collection of information on school enrolment, teachers, school facilities, and all key education performance indicators. This should help improve the monitoring and management of the sector. EMIS software and servers have been installed in pilot schools districts to test the exporting of data from schools to districts and Ministry. The EPDF-funded Impact Evaluation Study focused on the capitation grants and teacher provision and the programme for

Monitoring Learning Achievement will be linked to provide an integrated approach to education management information and monitoring of performance across the education sector (MINEDUC 2008b). Finally, a household living conditions survey (EICV) was carried out in 2001 and 2006 in preparation of the EDPRS and provide useful complementary information to routine administrative data.

5.45 With regard to regular sector monitoring, monitoring of all education sector targets takes place through a number of mechanisms which bring Government, Development Partners and civil society representatives together in a number of open and transparent processes, described in ¶3.19 to ¶3.22. These processes pre-date Rwanda's endorsement by the FTI.

5.46 The main instruments for monitoring performance in the education sector are:

- The "priority action points" discussed and reviewed during each Joint Review of the Education Sector (JRES). Discussions then lead to an update of the "priority action points" to be monitored in view of the next meeting. Early on there were a large number of action points which proved difficult to monitor. Effort has been made on the donor side to reduce the number, and they decreased from 68 in 2005 to 14 in 2008. (Mokoro & ODI 2009)
- The MINEDUC Annual Operational Plan (AOP) which is reviewed each year at the Joint Review of the Education Sector (JRES). The AOP presents key activities and outputs per programme and sub-programme (following the same programmatic classification as the budget) and with associated budget lines. The AOP is prepared in parallel to the budget.
- MINEDUC's budget and budget execution are also discussed both during the Joint Budget Support Reviews (to which mainly GBS donors participate) and during a specific meeting of education donors on budget issues, which took place for the first time in September 2008.
- Key education indicators (financial inputs and outcomes) are also monitored by GBS donors in the Common Performance Assessment Framework.

5.47 Regarding vertical reporting, a system of financial and planning accountability is in place in schools in Rwanda, with participation by the community of parents, by students and teachers. Districts are required to develop a District Education Plan indicating their priorities and targets in the education sector. They are also required to sign "performance contracts" (*imihigo*) with each head master and evaluate performance regularly. District Mayors also sign "performance contracts" with the President of the Republic, for which performance is assessed every quarter. However there is little or no reliable evidence, at this early stage in the process, of the quality of this monitoring and reporting system, nor of the actual oversight by districts and MINEDUC (OPM & REPIM 2007, p110).

### **FTI Inputs**

5.48 **FTI inputs** in terms of data and Monitoring and Evaluation (M&E) are focused on (i) the use of the Indicative Framework (IF) and associated benchmarks; (ii) the appraisal of the Rwanda ESSP and LTSFF in 2006; (iii) reporting requirements to the FTI (annual progress report); and (vi) forthcoming EPDF support for a Country Status Report in 2009.

### **Relevance, Effectiveness, Efficiency and Sustainability**

5.49 Regarding the **IF**, the indicators were already monitored in the ESSP 2006–2010, probably as a result of the influence of the 2003 CSR (World Bank 2003a). They were

therefore not introduced as a result of the FTI endorsement.<sup>22</sup> These indicators are monitored and reported on annually in each ESSP, and are included in the LTSFF.

**5.50 Focus on Learning Outcomes.** The FTI's contribution on the "data gap" came mainly through the appraisal process carried out by local donors, and was very relevant in that it focused on the lack of information on learning outcomes:

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.[...] 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 (Education Donors, Rwanda 2006a, p 1 and 6).

**5.51** This issue is particularly relevant as, as noted by the 2007 PER:

Rwanda has no comparative, objective assessment of learning achievement at any level of education to show the extent to which students are achieving the curriculum learning goals, or their achievement compared with children at similar levels in other countries. MINEDUC does intend to introduce an objective assessment programme. Rwanda could benefit from participation in one of the programmes which help build capacity for quantitative monitoring of system performance, such as the Unicef-UNESCO programme "Monitoring Learning Achievement" (MLA), the Anglophone Southern African Consortium for Monitoring Educational Quality (SACMEQ), or the francophone "*Programme d'analyse des systèmes éducatifs de la Conférence des ministres de l'éducation des pays ayant le français en partage*" (PASEC). The evidence that currently exists, the results of the Grade 6 examination, is worrying. Although the pass mark was only just over 40 per cent, in 2005 as few as 26 per cent of candidates passed, and fewer than 20 per cent in 2006 (although the pass mark may be modified each year to limit entry to Tronc Commun). The indication of inadequate learning achievement is that average marks were only about 33 per cent (OPM & REPIM 2007, p64).

**5.52** Nevertheless, it seems that so far not much has changed since the issue was raised. The report to the FTI CF for the 2009 request (FTI CF 2009) notes that there has been some good news recently in the primary leaving examination results with a 3% improvement in performance, but no specific support is foreseen from the EPDF and no further progress seems to have been made to enhance the monitoring of learning outcomes.

**5.53 FTI reporting requirements.** Despite the affirmation in the 2006 CIF that "Rwanda can easily monitor and evaluate the envisaged EFA-FTI funding by using existing modalities", specific reports have been required for monitoring the FTI CF support. An annual financial progress report was requested, in 2007 only on the FTI CF-funded activities, subsequently on the whole sector. In 2007, this report was requested in September, in view of the disbursement of the second tranche of the FTI CF support. This required a specific report to be produced for this purpose, given that the report routinely produced by MINEDUC covers the whole fiscal year and not January-September. Another report produced specifically for the FTI CF monitoring was the audit report on the education budget. (See ¶4.10). Apart from these specific reports, the minutes of the JRES were regularly transmitted to the FTI Secretariat for information, as well as the budget and budget execution reports, and PFM diagnostics such as the PER.

**5.54** Although these derogations from existing systems caused additional transaction costs both for GOR and for local donors, they have also had a somehow positive impact when

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<sup>22</sup> Nevertheless, the development of the CSR tool was indirectly influenced by the parallel design of FTI processes, in particular the IF

they have been in line with internal accountability requirements – although this would have been much stronger if the Ministry of Finance had been appropriately involved: "with regards to the specific reporting on budget execution [for the FTI CF support] its format and degree of detail have been useful in getting MINEDUC on board with the kind of budget execution report that SBS donors would like to receive.[...] donors have tended to anticipate MINECOFIN requests and ask for formats and production of reports before guidelines and standard formats have been defined by MINECOFIN, without much MINECOFIN (National Budget Unit, Public Accounts Unit) involvement in the design of these formats" (Mokoro & ODI 2009, p29). The above-mentioned guidelines were indeed produced by MINECOFIN in 2009.

5.55 In addition, the FTI Secretariat and WB have jointly sought to improve flexibility and alignment of FTI-related reporting requirements over time: the requirement for a specific audit of the education sector was modified in 2008 in order to allow using existing audits by the Office of the Auditor General (OAG); and the FTI progress report – although it remains a specific report – is now aligned with the national budget cycle and therefore uses data produced routinely on the basis of the whole fiscal year.

5.56 Finally, the upcoming CSR financed by the EPDF is seen by local donors as a useful analytical tool to support the revision in planning documents and policies.

5.57 Key issues for the **sustainability** of the existing monitoring and reporting systems are: (i) better alignment of the priority actions of the JRES with the EDPRS and GBS CPAF (Common Performance Assessment Framework), the ESSP logframe and policy matrix and Annual Workplans; (ii) streamlining the process of sector reporting; (iii) improving the quality of reporting on budget execution (Mokoro & ODI 2009, p39); and (iv) ensuring the upcoming Development Policy Operation for the 2009 CF funding is in line with existing monitoring and reporting requirements. On the positive side, MINECOFIN has recently developed an effective central and sector co-ordination structure, with guidelines for the structure and management of sector reviews to feed into bi-annual Joint Budget Reviews (backward and forward-looking), and an EDPRS Monitoring Framework (FTI 2009b).

## The FTI and capacity development

### Existing processes and non-FTI inputs.

5.58 The 2007 PER provides the following assessment of capacity in the education sector:

At all levels the system suffers from skills shortages and staff overload. [...] District and sector officers have had no training and development support in education administration and management. There are pressing needs to develop institutional capacity in MINEDUC and the SAGAs, provide support to districts and sectors for improved service delivery and build the capacity of the 11 TTCs [Teacher Training Colleges] to be high quality resource centres for in-service training and school management. [...] Current funding will not support the high levels of in-service training required across the country (OPM & REPIM 2007, p11).

5.59 Decentralisation of functions and posts to districts and Semi-Autonomous Government Agencies (SAGAs) following the Public Sector Reform and the decentralisation process, have left MINEDUC with the bare minimum of staff for its responsibilities. MINEDUC currently has 42 staff in total<sup>23</sup>, down from more than 100 before it was restructured in 2005-2006. This made the Ministry very small by regional standards, and its capacity to manage and oversee sector developments remains extremely weak and dependant on a few individuals, in particular regarding teacher management and school construction, supervision

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<sup>23</sup> To be compared with an estimated 15–20 donor staff working on the education sector in country

of districts and schools, etc. (MINEDUC 2008c). At decentralised levels, staffing has been increased in 2009 by one additional officer in charge of teacher management in Districts, but capacity remains very limited.

5.60 Regarding technical assistance and capacity building, the sector has moved from a situation where:

Government has limited control and is only imperfectly aware of the available budget and therefore of the opportunity cost of TA proposals, many of which are initiated by the donors and their agents rather than responding to Government requests. [...] There is a disproportion between the number of donor-funded TA inputs and Government capacity to engage and to implement recommendations. [...] There is a risk of overlap and duplication with several donors supporting TA in related areas, and no formal process to coordinate other than occasional donor group meetings and the need for formal approval by an overloaded Secretary General (SG)" (Foster et al 2005)

5.61 There is a more coordinated and transparent process, under the leadership of government. The capacity building pooled fund set up in 2005 along with the JESS (see ¶3.25), managed by a Steering Committee chaired by MINEDUC, has been instrumental in coordinating and scaling up donor support for capacity building at all levels of the education sector. The objectives of the pooled fund was both to ensure better coordination of all donors providing capacity building support to the Ministry of Education and other education institutions, and to help bring some non-budget support donors on board, by putting their financing on budget via the coordinated pooled fund. It started implementation in 2007, and receives funding from Unicef, DFID and CIDA.

5.62 The JESS and capacity building pooled fund required the development by MINEDUC of an Annual Capacity Building Action Plan for the sector. This plan was finalised in 2007, and the pooled fund started its operations on that basis. The initial focus of the plan was mainly support to district and school management, in parallel to support MINEDUC and autonomous agencies. Comprehensive school management training was undertaken for school heads, deputies and bursars in 2008–2009. Further training is planned for Parent Teacher Associations, on their role in managing and monitoring the use of the schools' budget. This emphasis on school management is critical, given the growing importance of the capitation grant.

5.63 At national level, GOR adopted the Public Sector Reform Strategy in 2003, which led to a restructuring of central ministries transforming the role of central government agents from deliverers of services to overseers and facilitators, set up HIDA (Human Resource and Institutional Capacity Development Agency), public agency in charge of coordinating and overseeing capacity building initiatives across Government, and carried out a comprehensive review of the wage structure of the public sector in 2007 (which excluded teachers). A comprehensive review of the wage structure of the public sector was completed in October 2007. These reforms have strengthened human resource systems at central government level, streamlined central staffing, and rationalised remuneration. (Mokoro & ODI 2009, p5).

### **FTI Inputs**

5.64 **FTI inputs** in this area are (i) EPDF financing: training session in Mauritius, study on impact evaluation; future CSR; (ii) Appraisal of the ESP; and (iii) CF funding in 2007, 2008 and upcoming funding in 2009.

### **Relevance, Effectiveness, Efficiency and Sustainability**

5.65 While the training session financed by EPDF and the appraisal of the ESP (Education Donors, Rwanda 2006a, p ii and 13) may have contributed to a better understanding of capacity gaps and the FTI processes, and the future, CSR represents an opportunity for

strengthening MINEDUC's capacity for data analysis, costing and results based policy making, the main contribution of the FTI to capacity building has been the CF funding.

5.66 In terms of capacity development planning and coordination of donor support to capacity building, the positive developments have taken place in relation with the signature of the JESS and existing donor coordination, without specific input from the FTI. As mentioned in ¶5.3 and ¶5.54, FTI-related processes (requirement for the LTSFF to be developed, specific reporting on annual progress), although additional to existing planning and reporting mechanisms and high in transactions costs may nevertheless have contributed to enhanced MINEDUC capacity in terms of costing, reporting, and analysis of budget execution linking finance, activities, outputs and outcomes.

5.67 **Teacher training.** FTI CF funding has allowed the very significant increase in the capitation grant since 2007 (see ¶5.34 and Box 3.2). Guidelines on the use of the capitation grant adopted in 2007 and 2008 (MINEDUC 2007e) specify that in-service training is among the areas supposed to be implemented by head teachers funded from the capitation grants. Some schools are clearly making good use of these resources, with skilled teachers training their colleagues; more support and guidance is needed from the centre to develop programmes in matters where teachers remain unskilled. However, there does not appear to be any national policy or programme for developing capacities of teachers, or for imparting specific new skills (such as, for example, the use of textbooks in the classroom, where neither students nor teachers have a tradition of textbook use) (OPM & REPIM 2007, p86).

5.68 FTI CF funding also has (along with others) contributed to the increased budget on teacher training. FTI CF support – in conjunction with project support by other donors – has provided the additional resources necessary for financing the construction and functioning of two additional Teacher Training Colleges (TTC), started in 2007. (MINEDUC 2007a). This is highly relevant since the 2007 PER (OPM, REPIM, 2007) underlines that "there could be a significant deficit in teacher numbers by 2010. Action to increase output of trained teachers will need to be taken quickly if it is to have an impact by 2010". Nevertheless, the same study outlines that "TTC output is now low, because TTC enrolment has fallen drastically, from nearly 6,000 in 2004 in the final grade to 1,620 in 2006" and that "TTC enrolment has fallen partly because Government decided to close private TTCs, and partly because students are reluctant to enter the TTC secondary stream, since they see employment prospects as poor (teacher salaries have been low) and the stream no longer gives direct access to university".

5.69 The **use of SBS** for CF funding has – along with GBS and other SBS – contributed to an enhanced focus and support to existing government planning, budgeting and expenditure processes (see ¶5.41). The audit required for the disbursement of the second tranche in 2007 may also have contributed to a better understanding – by donors and MINEDUC – of key issues in the area of PFM, although it other PFM diagnosis were carried out before hand.

5.70 Nevertheless, the significant shift towards SBS also makes the need to strengthen government capacity more prominent, in order manage the increasing amounts of money passing through government systems and the higher requirements in terms of reporting and dialogue. This implies considerable strengthening of staff numbers, motivation, quality and qualification, notably at central level. This challenge has in particular been experienced in the education sector when a significant number of donors financing school construction through projects shifted to sector budget support, therefore putting a strong burden on the construction unit in MINEDUC which had to increase its staffing from two people in 2006 to nearly seven people in 2008. (Mokoro & ODI 2009, p31) The adequate staffing of MINEDUC in order to allow it to play its role of oversight and planning is key to the sustainability of progress in the education sector.

5.71 Another key issue with regard to sustainability is the coordination between sector level capacity building processes (in particular the capacity building pooled fund) and the national mechanisms (civil service reform, HIDA), which remains a challenge.

5.72 Finally, it should be noted that FTI endorsement has indirectly contributed to further support to capacity building: the Global Education Alliance (a group of largely United States-based companies, mostly IT-connected), linked to the World Economic Forum, have partnered with the FTI Secretariat to target support to low-income countries. In Rwanda, their first pilot country, they provided technical assistance in 2008 to support DFID, MINEDUC, Ministry of Science and Technology and local ICT agencies in developing a Rwanda ICT Policy in Education framework. (FTI 2009b)

### **Donor capacity**

5.73 As donors scale up their support to the sector, there is a need for donors to strengthen their own capacity for, and regularity of, policy dialogue through harmonised systems (or move to silent partnerships like this has been the case for various donors). Donor technical capacity for policy dialogue needs strengthening, especially as it moves from broad policies to the implementation of those policies. In particular, the shift towards SBS requires enhanced donor capacity in the education donor group on PFM and budget-related issues – or an enhanced coordination with economists in charge of GBS.

5.74 One of the reasons why DFID has been the lead donor continuously since 2003 is the feeling among donors that none of them have the capacity for this task. In addition, as the lead donor, DFID has borne the brunt of the reporting requirements by FTI and the CF, in that it has had to support MINEDUC in drafting the reports and following the adequate format, which represents a significant amount of work.

5.75 The heaviness of FTI CF processes (and therefore the implicit need to strengthen the capacity of the DFID office) is the main reason why DFID has not yet envisaged taking on the role of supervising entity. However, the heaviness of processes related to the DPO as an aid modality may be the main reason DFID will consider taking on the role of supervising entity in the future if the occasion arises, in order to open the space for more flexible funding modalities – i.e. sector budget support without the constraints of heavy WB processes.

## **The FTI and aid effectiveness**

### **Existing processes and non-FTI inputs**

5.76 Chapter 3 provides an overview of sector coordination mechanisms and evolving aid modalities to the education sector in Rwanda over the past few years. Within Government and among development partners, the education sector is widely regarded as the first sector to have developed a Sector-Wide Approach. In terms of aid modalities, there has been a gradual and highly significant shift from projects to sector budget support. In January 2006, the Joint Education Sector Support (JESS) programme was signed. It provides a joint framework for sector budget support to education and set up a capacity building pooled fund for the education sector. In 2006, MINEDUC and education donors signed a memorandum of understanding which defines a set of partnership principles for alignment and harmonisation. The number of donors providing Sector Budget Support progressively reached 7 in 2008, and the proportion of SBS has risen from 0% to 90% of total education external funding between 2005 and 2008.

5.77 **Key FTI inputs** have been: (i) the appraisal process in 2006 and in 2009; (ii) the provision of SBS by the FTI CF and related reporting and monitoring requirements; and (iii) the External Quality Review carried out on the 2009 CF request.

## Relevance, Effectiveness, Efficiency and Sustainability

5.78 Overall, the main drivers behind the evolution towards enhanced coordination and aid effectiveness have been GOR's strong ownership and focus on ensuring aid is aligned with its own priorities and processes (see Aid Policy, GOR 2006c); strong planning processes and improved outcomes at sector level; the signature of the JESS and Partnership Principles.

5.79 In that context, the FTI requirement for the donor group to agree jointly on the appraisal of the Education Sector Plan in 2006 has contributed to strengthening the existing group and deepening the level of dialogue and coordination. MINEDUC stakeholders see the experience of the 2006 appraisal as very significant, in that they felt donors and GOR were "on the same boat" (as heard by the author in a meeting of the education cluster).

5.80 **Effect on ownership.** The provision of notionally or un-earmarked SBS (by the CF and other donors) may have had a positive impact on government ownership, thanks to the flexibility in the use of the money, and the full alignment with government priorities (see 5.33). It may also have contributed to strengthening national accountability systems, in particular from MINEDUC to MINECOFIN, and from central government to the local level through the strong increase in the capitation grant. It has also increased the proportion of resources on which Parliament has a discretionary power.

5.81 In 2009, education donors and MINEDUC initially diverged on the proposed "fast tracking of nine-year basic education", in particular on the MINEDUC's proposal to generalise double-shifting and move to teacher specialisation in primary. Eventually, the preparation of the 2009 request to the CF forced MINEDUC and donors to find common ground in order for donors to endorse the request. The request includes among other things "better planned double-shifting" and "improving specialisation of primary teachers" (FTI 2009b, p3, *emphasis added*). Although it is difficult to judge the impact of these compromises on ownership – especially in a desk study – the prospect of accessing additional CF support clearly weighed on MINEDUC's stance on these issues. Similarly, donors may have felt the pressure to endorse MINEDUC's plans in order to allow further CF support – in particular SBS donors, since an interruption in CF support would have caused a major disruption in the education budget.

5.82 In addition, the External Quality Review (EQR) process has raised strong concerns on this issue, potentially contributing to a misunderstanding on the indicative role of the IF: "The plan to move to double shifting with a reduced number of hours of instruction per student per day may *violate* the goal of the Indicative Framework" (FTI 2009c, *emphasis added*). Although the consequences of this concern raised by the EQR are not clear, it may have an influence on the preparation of the upcoming LTSFF and ESSP revision, which should form the base of a submission to the FTI CF for future support. See Box 5.2 below for further discussion on the EQR exercise.

5.83 Finally, it is not clear from available documentation how or why conditionality for the Development Policy Operation used for the 2009 CF was developed outside the framework of the existing sector coordination (in terms of timing and in terms of content).

5.84 **Effect on alignment.** The use of SBS as an aid modality for the CF support is the main contribution of FTI to enhanced alignment of aid to Rwanda's systems. Whilst SBS represented only a small share of external financing between 2002 and 2005, since the start of the JESS it has risen steadily from 32% in 2006, to over 90% of external financing earmarked to the Education Sector. The share going to projects has correspondingly decreased. Over the same period, SBS has risen from 11% to 48% of the total education budget (Mokoro & ODI 2009). The increase in the share of SBS in education sector financing

is strongly due to the use of SBS by the FTI CF itself, because of the size of the CF funding. Nevertheless it should be recognised that other donors' shift to SBS seems mainly due to positive performance in the sector, strong planning and donor coordination, and the existence of the JESS. The study on Sector Budget Support in Practice however also mentions that the existence of the LTSFF (requested by the FTI Secretariat) and therefore of a thoroughly costed plan and clearly identified financing gap was one of the factors that pushed them to provide SBS to the sector (non-earmarked).

5.85 In practice, Rwanda was the first country to ever receive SBS from the CF. In that regard, its experience (utilisation of the grant agreement based on an investment project by the WB, audit requirement, notional earmarking) has probably paved the way for further clarification of the modalities by which the CF could provide budget support (through allowing the use of DPOs at sector level with CF funding, and clarify the possibility of alternate supervising entities other than the WB), and for the subsequent adoption of the FTI's guidelines on aid modalities (FTI 2008a). The reasons for the use of SBS by the FTI Catalytic Fund in Rwanda are mainly strong Government preference for the use of GBS or non-earmarked SBS, both at MINECOFIN and at MINEDUC level; strong pressure from the local donor group, and flexibility on the side of the local WB representatives. The strong pressure from MINEDUC, MINECOFIN and the local education donor group is illustrated by the fact that, more or less at the same time as the FTI CF appraisal, a project by the African Development Bank was transformed into SBS at the last minute (AfDB 2006).

5.86 The FTI CF-related reporting requirements have been progressively better aligned with existing ones, although at times following a long discussion between local donors (in particular DFID as lead donor), the WB as supervising entity and the FTI Secretariat. For example, the 2007 requirement for an independent audit of the education sector before disbursement of the second tranche was seen initially by local donors as an additional and unforeseen "conditionality", not in line with the existing processes. It was finally agreed that the WB would accept an audit carried out by the Office of the Auditor General instead of a private company (which required a specific audit to be carried out but at least using national institutions), and the requirement for this audit was modified further in 2008 to ensure alignment with existing processes (World Bank 2008b). Paragraph 5.55 provides further examples of improved alignment.

5.87 In theory, the shift from the 2007 and 2008 grant agreement for CF funding (providing SBS but based on an investment lending standard agreement) to a Development Policy Operation (DPO) in 2009 – in line with the new CF aid modality guidelines (FTI 2008a) – should allow better alignment of FTI CF processes with existing ones. Local donors however highlight the heavy transaction costs associated with the DPO, the related numerous additional demands on Government and due processes, and the "lack of added value" of these additional processes.

5.88 Finally, in any case, the alignment of existing "donor" reporting (JRES, priority actions) with internal accountability and performance monitoring mechanisms such as the Annual Work Plan (reports on implementation are made annually at the "Akagera Retreat" to the President and Prime Minister) and the Performance Contract (reports are made quarterly to the President) remains a challenge for coming years (Mokoro & ODI 2009).

5.89 **Effect on Predictability.** Like the FTI, the JESS and the move to SBS were intended to improve aid predictability,<sup>24</sup> both in the short term (in-year disbursements) and in the

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<sup>24</sup> The JESS foresees specific arrangements in order to "avoid the need for interrupting disbursements by sharing potential problems at the time they arise", and specifies that "SBS disbursement will not be withheld in-year". The JESS also proposes to "front-load" disbursements, by disbursing overall 60% of the yearly amount in the first quarter, and 40% in the third quarter.

medium to long term (over the next few years). Overall, the performance of SBS donors in terms of predictability has been poor so far. FTI's contribution to a "sustained increase in aid for primary education" has been negative on the whole.

5.90 The FTI CF support in particular has contributed negatively through (i) length of the process to arrive at endorsement; (ii) timing of endorsement in 2006, timing of signature of grant agreement in 2007 and 2008, and timing of endorsement in 2009 out of line with budget cycle – leading to the need for revised budget laws; and (iii) disbursement of the 2007 and 2008 support late in the fiscal year, disbursement of the second 2007 tranche in 2008, leading to disruptions in cash management by MINECOFIN and undue pressure on MINEDUC budget execution late in the year. The consequences of late disbursements are felt more directly at the level of the Ministry of Finance (missed IMF target on net credit to Government in 2007 (IMF 2009), need to borrow and rising cost of financing, etc) than by the Ministry of Education, which continues executing its budget normally. For example, an agreement was reached between MINEDUC, MINECOFIN and education donors so that MINECOFIN would provide MINEDUC with the funds corresponding to the CF disbursements in 2008 at the beginning of the year, despite the fact that CF disbursements were delayed until the end of the year. This is a significant effort given that the CF disbursement in 2008 represents 12% of the total education sector budget for that year (Mokoro & ODI 2009, p40).

5.91 The delays in disbursements were mainly due to the fact that Rwanda was the first country to receive SBS from the CF – through a haphazard mixture of SBS and a project grant agreement. The fact that the model used for the grant agreement was that of an investment project led to an unexpected (by local donors and by MINEDUC) requirement for an audit to be carried out (see ¶4.10 and ¶5.86). Reporting requirements also needed clarification during the process, in particular in 2007, both because of lack of familiarity with the FTI guidelines on the part of GOR and donors, and because the specific requirements for SBS had not been spelt out as this instrument was new to the CF (and to the WB).

5.92 Initial attempts by the CF Steering Committee to enhance predictability through the endorsement of support for both 2007 and 2008 was undermined by the fact that the grant agreement was signed only one year at a time (World Bank 2007 and 2008), and that the decision to split the annual disbursements into two yearly tranches was taken late in the process.

5.93 It is also worth noting that the conditionality framework for the disbursement of FTI CF support (as well as the framework for other SBS programmes) gives no precise definition of what "overall satisfactory performance" means. Although the definition of the conditionality framework was delegated to the country-level – which is positive – the actual framework defined does not specify whether the assessment of progress will be based on "priority actions" defined at the JRES; on the indicators and targets in the ESSP logframe; or on the EDPRS policy matrix (as is the case for GBS). This leaves a useful flexibility to take into account external and internal factors, but poses the risk of subjective, unpredictable decisions. (Mokoro & ODI 2009, p25). The 2009 request to the CF moves towards a clearer framework of conditionality: "the EDPRS Results and Monitoring Framework, which includes core priority indicators for education along with key policy actions known as the CPAF Common Policy Action Framework), will be the basis for assessing performance, along with more detailed sector-specific indicators in the Education Sector Plan" (FTI 2009b). Nevertheless, as outlined in the EQR (FTI 2009c), there is still potential room for improvement in the level of predictability of the DPO as aid instrument, in particular in avoiding the situation in which failure to meet one conditionality leads to the suspension of the whole tranche.

5.94 Finally, the FTI has not contributed to enhanced long term predictability of aid to education or primary education. The CF (as well as CIDA, Sida, Belgium) has so far provided only very short term visibility in its financial support (one to two years), which creates a significant amount of uncertainty on the external resources of the education sector given its relative size. SBS commitments tail off as early as 2010/11. The initial requirement in the 2006 technical appraisal for the development of a 10-year plan (LTSFF 2006–2015) which should have provided the framework for longer term commitments, although considered useful by donors, has not been used to improve long term predictability (Mokoro & ODI 2009, p33). This undermines the credibility of the MTEF and the objectives set out in the LTSFF. According to MINECOFIN interviewees in the study on Sector Budget Support in Practice (Mokoro & ODI 2009, p37), a halt in the education SBS and in particular in the FTI support, would clearly impact on the education sector budget, but would potentially impact more on the rest of the national budget, due to the fact that education is clearly a government priority and education expenditure is mostly of a recurrent nature, therefore more difficult to decrease suddenly.

5.95 Rwanda intends to apply for further support from the CF for 2010–2012. Future CF support will depend on the revision of the existing plans (ESSP, LTSFF) taking into account latest developments (see ¶3.10), on progress in implementation of the ESSP, and on availability of funds for the CF. Given the high risk that donors move out of the education sector, both for internal reasons and because they see the FTI CF's support as committed to filling the financing gap (see ¶5.39), the CF steering committee will be faced with a dilemma regarding the objectives of the FTI and the CF: filling the financing gap or mobilising additional support from donors for primary education. The uncertainties on future bilateral donor support would make a long term commitment by the CF all the more valuable to maintain the current level of progress.

5.96 **Effect on mutual accountability.** The process for the 2006 appraisal was highly participatory, and involved extensive consultations. Further than that, the FTI has not contributed significantly to enhancing mutual accountability. The JRES process is widely attended, by civil society representatives, NGOs, students and teachers. MINECOFIN has also developed a "Donor Performance Assessment Framework" (DPAF), but this process has so far not yet been extended to the education sector.

5.97 **Effect on results focus.** Overall, the FTI processes have not contributed to an enhanced focus on results (see section on data and M&E). In addition, as noted in the EQR (FTI 2009c), the conditionalities for the disbursement of the 2009 DPO are very much policy oriented (adoption of plans and action plans), and the overall link to the achievement of education outputs and outcomes is not straightforward. Nevertheless, this may be related to the fact that this was a one-year bridging grant, and the focus on results could be improved in the future, if the DPO instrument proves flexible enough or if another donor becomes supervising entity.

5.98 **FTI Governance.** The GOR participated in 2006 in the Cairo meeting and presented its own request, along with the lead donor. This led to a discussion within the CF steering committee on the opportunity to have country participation in CF Steering Committee meetings: "The benefit of this approach was demonstrated for countries such as Mongolia and Rwanda for which some specific questions were answered by participants in Cairo. However, concern to avoid increasing the number of participants and difficulty and uneasiness that may arise for the committee in discussing and making tough decisions in the presence of country authorities" (FTI 2006e). In 2009, existing documentation (MINEDUC & Donors 2009a and DFID 2009) seems to show that although MINEDUC participated in the concomitant Copenhagen FTI Partnership meeting, it did not present its request to the CF Steering Committee.

5.99 **The External Quality Review** carried out as a pilot exercise on the 2009 CF request raised some useful points (need for further explanation on the calculation of the financing gap; weak progress on the monitoring of learning outcomes), but overall is a confusing exercise without clear added value. Box 5.2 below comments on issues raised by this exercise.

**Box 5.2 Comments on the EQR pilot in Rwanda**

- **The coverage and objectives of this exercise are confusing.** It sometimes questions policy choices of Government, or arbitrages by the local donors during the appraisal. Does this imply that the appraisal by local donors is not valid anymore? How can a desk study have more insight into the ins and outs and internal dynamics of the education system in Rwanda than local donors? Wasn't this exactly the objective of having local donors endorse the plan – to ensure local knowledge of the country? If the EQR is extended to interviews and a heavier process, does not this bear the risk of making it again heavy in transactions costs (given the heavy processes already involved in preparing the request and the appraisal of the request) – or again risk an overlap with the whole purpose of the appraisal by local donors? Wouldn't it be more efficient to provide analytical and human resource support to the local donor group to carry out its assessment (and on the longer term to carry out its tasks)?
- **There does not seem to be a precise checklist against which the request is assessed**, which makes it difficult for countries to anticipate.
- **Some recommendations are questionable, at least in that they seem to question some policy choices by Government** (and trade-offs considered by donors in their appraisal) –and the validity of doing so in a two week desk study with such a potential financial impact is doubtful
  - "A sector-wide reform programme has undeniable advantages. However, a sector-wide framework poses implementation demands that will exceed the implementation capacity of the MoE unless there is a disciplined sequencing of activities"
  - "Higher education expenditures, although dropping as a share of the total education budget, have not declined and are not projected to decline in absolute dollars until 2010 at the earliest"
- **The appraisal seems to question the validity of some key FTI tools**, or the way they are used, in particular the Indicative Framework and the calculation of the financing gap. The EQR of a country's request doesn't seem to be the right place for this questioning.
  - "The CF proposal package was of generally good quality except for the financing gap analysis. That analysis is ambiguous and not particularly useful in that the gap can increase or decrease, depending on discretionary funding decisions. It also fails to force players to set priorities, which is especially important in case the financing gap persists or increases under deteriorating macro-economic conditions and/or a decline in donor funding".
  - "The plan to move to double shifting with a reduced number of hours of instruction per student per day may violate the goal of the Indicative Framework"
- **The appraisal seems to question the format and degree of detail of the CF request**, when the information required exists in governments plans for example textbook policy and girl education policy (but these plans hadn't been provided to the panel – probably to avoid flooding them with information)
  - "the textbook consultancies may well have resolved the complexities associated with textbook selection, publishing, printing, and distribution. However, even though the Joint Review of the Education Sector (June 2008) slightly illuminates the steps contemplated, the CF documents are not clear about how textbook reforms might work and the advantages and disadvantages of the choices made. Similar questions arise about dealing with other complicated problems flagged by the ESSP —for example, girls' lower transition rates and lower achievement scores; stagnating primary completion rates for boys and girls; high dropout and repetition rates; high numbers of overage students"

- **The appraisal questions the choice of financing instrument**, in what seems to be an internal WB debate (between the DPO and a new SWAp modality not included in the FTI guidelines on aid modalities; between sectoral units and WB economists). The validity of such questioning in the EQR of the Rwanda report is dubious.
  - "The selection of a DPO mechanism requires conditions that have to be met prior to disbursement. In this case, the conditions selected were trivial—probably deliberately so in order to facilitate rapid disbursement of what is simply a one-year Bridge Grant. However, the proposed operation threw away its leverage";
  - "Since the Bank is not involved in lending and this is a DPO, presumably there are no or only limited obligations to enforce Bank rules. Although these can be onerous, a different modality that requires attention to FM, procurement, and safeguards can yield important benefits for Rwanda"
  - "The EFA-FTI Modality Guidelines Nov. 2008 document contains a table, "Table 1: Program Financing Considerations" which compares the budget support (DPO) modality with "pooling" (SWAp) and "project finance" (SIL). It ignores new SWAp lending modalities available to EFA-FTI clients and overlooks some criteria important in choosing a preferred modality. It is important to note, in this regard, that DPOs at the World Bank are used primarily to provide budget support and reward policy reforms. Bank practitioners seldom use DPOs to address complex technical problems regardless of the sector".
- **The outcomes of the recommendations of the panel are unclear**: will they become additional conditionalities for the endorsement of the request?
  - "an evaluation programme should be launched to conduct well-designed mini-assessments of whether outputs are producing their intended intermediate outcomes"
- Finally, the exercise accentuates the confusion between the FTI/CF and the WB, using such traditional WB vocabulary as "EFA-FTI client" and "investment lending" (although the CF does not give loans).

Source: Author and quotes from (EFA-FTI 2009c)

## The FTI and Cross-cutting issues

### Existing processes and non-FTI inputs

5.100 HIV/AIDS: In 1999, GOR began to address HIV/AIDS as a priority by reviving AIDS control programmes, focusing in particular on information, education and communications, and later by developing a multi-sectoral approach. The incidence of HIV/AIDS in Rwanda is much less than in neighbouring states (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% and 2.3% for women. The pressure on communities to provide welfare and support to people with AIDS has implications for the overall financing of education - loss of financial revenues, contributions in-kind, and numbers of children withdrawn from schools. Moreover, the loss of trained and experienced teachers impacts on teacher supply with consequent cost implications for the training of new teachers to meet shortfalls. There is no specific HIV/AIDS policy for the education sector, but a School Health policy is in the process of being adopted.

5.101 Rwanda is one of few developing countries to have achieved gender equity in primary and lower secondary school enrolments. Both MINEDUC statistics and the EICV show that primary enrolment rates are now slightly higher for girls. Gender equity in public higher secondary and tertiary institutions is low. Females comprise only 42% of enrolment in public and subsidised 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. The Government is developing an incentive based programme for encouraging

schools to address issues of low achievement. (Education Donors, Rwanda 2006a. 5, 7) The Girls' Education Policy targets teachers, communities, and learning materials to improved self-esteem and confidence of rural girls in particular. Key areas of proposed intervention will be to ensure that girls have access to adequate sanitation in schools and that girls should be protected so that they can study in an environment free from abuse. Increased consideration of gender issues in education through training programmes for all teachers is required if increased number of girls are to enter into maths, science and technology subject areas.

5.102 School participation rates are relatively high, even among orphans. The 1994 genocide left Rwanda with one of the highest orphan-hood rates in the world; nearly 40% of the children aged 7–14 years in 2000 have lost at least one parent. Yet, the gap in enrolments between orphans and other children is noticeable only among the most vulnerable children (i.e., those who have lost both parents or those who live apart from their parents). The result points to the existence of relatively well-developed safety nets that have somehow managed to ensure high primary school participation rates even among orphans. In secondary education, orphans are at least as well represented as non-orphans. This remarkable outcome owes much to the government's decision in 1998 to establish the tax-funded Genocide Fund (FARG) as a mechanism for assisting orphans in secondary school. The fund was established by law and is capitalised by an allocation of 5% of domestic revenues. The first disbursements from the fund were made in 2000. As in any scheme providing financial aid, an important challenge is to make sure that funds reach their intended beneficiaries (World Bank 2003a, p xv).

5.103 The Government of Rwanda has been a strong advocate in ensuring that "Hard-to-Reach" children access education through flexible pilot complementary or "catch up" programmes. A major strategy has been to elaborate what should constitute a minimum learning package to achieve "gender best practices", and the integration of life skills and HIV/AIDS education.

5.104 The FTI inputs on cross-cutting issues have been the appraisal process in 2006 and 2009, the IF indicators and benchmarks, the up-coming funding of the CSR, and the CF funding since 2007. Neither the appraisal process nor the IF seem to have had a significant impact on MINEDUC policy orientations or focus on issues related to HIV/AIDS, gender equity or hard to reach children and orphans. Government's focus on these issues either pre-dated the FTI support or was supported by other donors, in particular Unicef.

## 6 Conclusions

6.1 **Relevance.** Overall the FTI support to Rwanda was relevant, in that it focused on key issues in the Rwandan context such as completion rates, teacher management, learning outcomes monitoring and imbalances in the education budget. The modality used for CF funding (Sector Budget Support) was relevant to Rwanda's needs (quick disbursing mechanism, financing of recurrent costs) and systems, as well as to GOR's preference and to the existing situation in terms of support by local donors. The requirement for the LTSFF to be developed was relevant to promote enhanced costing of the education sector and objectives. The use by the FTI of existing sector wide plans and donor coordination mechanism was relevant in that it was aligned with existing mechanisms and GOR priorities.

6.2 **Effectiveness.** The 2006 and 2009 appraisal by the local donor group, the requirement for the LTSFF to be developed in 2006, and the CF funding in 2007, 2008 and 2009 (thanks to its size relative to the primary education budget) have been effective in increasing significantly domestic and external financing to the education sector and specifically to basic education, increasing the resources transferred to schools (capitation grant), increasing teacher numbers (contractual teachers) and motivation (bonus), increasing school construction and textbooks procured, and increasing funds for teacher training, enhancing the costing of policies and objectives – thereby convincing more donors to move to SBS. The use of notionally earmarked SBS (along with other SBS and with GBS) was effective in enhancing the quality of the policy dialogue, strengthening PFM systems and minimising transactions costs. The existence of the LTSFF and the endorsement by the FTI may have contributed – along with other factors – to additional external financing. The fact that the FTI contribution (through the CF or otherwise) did not fill the financing gap in 2008 and 2009 says more about the complexity of the notion of a financing gap (in relation to capacity and the degree of dependence on external aid, as well as the requirement for long term predictable funding) than a failure of the FTI itself in its support to Rwanda. However, although the shift of a significant number of education donors to SBS – including the FTI – represents an improvement over the past situation in terms of predictability (SBS in Rwanda having shown better predictability and less volatility than both project aid and GBS), the CF itself has not been a predictable source of funding, either in the short term (late disbursements, unforeseen conditionalities) or in the medium term (one year grant agreements so far, and no reliable commitment over the medium term). Finally, the FTI did not contribute to enhanced monitoring of learning outcomes, mutual accountability, results focus or cross cutting issues (although it should be noted that significant progress was made on the latter outside of the FTI).

6.3 **Efficiency.** Overall, FTI-related processes involved significant transactions costs and derogations from existing processes. Nevertheless, improvements have been made over time through "learning by doing" and increased flexibility. The requirement that Rwanda develop a 10-year costed plan (LTSFF) on top of its existing five-year plan, in the space of a few months, involved heavy transactions costs, and did not bring the expected results in terms of longer term commitments by donors. With regard to aid modalities, Rwanda stands out as the first country where the CF has provided full-fledged Sector Budget Support, mainly thanks to strong and coordinated pressure from both Government (Ministries of Finance and Education) and local donors, as well as to the fact that a coherent framework for SBS had been developed before Rwanda applied for endorsement. This represents a significant breakthrough for the CF, the World Bank, and for Rwanda itself. However, within this positive context, it can be noted that the initial process for 2007 and 2008 CF funding was highly inefficient: the grant agreement was based on an investment lending project modality, which led to unforeseen ad hoc conditionality (audit requirement), which in turn led to delays in disbursements. The FTI reporting requirements are additional to existing ones, which makes them time consuming both for GOR and for the lead donor. The upcoming

DPO for the 2009 CF support is proving heavy in transaction costs and additional requests to the existing planning and diagnostic framework. As a result of these time consuming processes, no other donor than the WB has been able to take on the role of supervising entity, and no other donor than DFID that of lead donor. Finally, the lack of predictability of CF funding put a significant strain on GOR cash management and budgeting.

6.4 Overall, some useful lessons can be drawn from the experience of Rwanda with the FTI. These concern predictability, the particular role of the World Bank, the strength of local donors' influence, and the uncertain value added of a number of the FTI requirements.

6.5 The key issue of predictability, and the apparent failure of the FTI to contribute positively to it – let alone improve the current lack of short and medium term predictability of external funding for education. This is all the more important if this funding is to be done through SBS, as it has a negative impact on GOR's cash management, budget execution processes, credibility of annual plans and MTEF, and may be most importantly on the policy choices depending on their recurrent cost implications, thereby limiting the efficiency of the additional financial support to the budget. It is also all the more important if the CF support is to fill the financing gap, therefore providing a very significant scaling up in the amount of external financing. In the longer term, there is a need to clarify the (sometimes contradictory) objectives of the CF: filling the financing gap (until 2015?), or mobilising additional donor support?

6.6 The role of the World Bank is also to be highlighted, and in particular its impact on aid modalities (transaction costs associated with the provision of SBS through an investment lending project modality and through a DPO), predictability (in particular through the signature of one year grant agreements when the CF Steering Committee had approved a two year allocation) and visibility of the FTI (for example through the confusion on who funds the study on the impact of teacher contractualisation and the upcoming CSR). The overlapping roles of both the WB and DFID (as lead donor), as entities on their own, as intermediaries between the FTI and GOR, and as warrants through the appraisal process of the access to CF resources, confuses the messages. It implies the risk that the FTI is seen as promoting some policy choices or processes that it does not necessarily agree with (for example on issues of teacher contractualisation or double shifting). The EQR process accentuates further this confusion.

6.7 The incentives created by the fact local donors "hold the key" to the access to CF resources is also crucial to consider. The financial consequences of a negative appraisal by donors (given the significant size of CF funding in Rwanda) has the potential to undermine ownership by Government of some key policy choices (see for example the discussion on generalisation of double shifting), and on the other side to limit the room for manoeuvre of local donor group.

6.8 Finally, the added value of some high transaction cost processes associated with the FTI is not clear (annual progress report, requirement for the LTSFF to be developed, External Quality Review). Why request a 10-year plan if no donor commitment is made beyond one to two years? Why request a specific annual progress report if GOR already produces various reports for local donors and internally? Why request an external appraisal after the local donor appraisal? While these processes may have had some benefits, they could have been better aligned with existing processes. The heaviness of the FTI-related processes (along with the fact that the monitoring of SBS requires specific attention to budgeting and public financial management issues) is one of the reasons the leadership of the local donor group has not been taken on by other donors.

### Box 6.1 Summary of findings and conclusions on relevance, effectiveness, efficiency and sustainability

<b>SUMMARY – RWANDA</b>
<b>Context and non FTI inputs over the period</b>
<ul style="list-style-type: none"> <li>• 2003 Country Status Report funded and carried out by the World Bank (WB), 2007 Public Expenditure Review of the education sector. EICV (household living conditions survey) 2001 and 2006</li> <li>• Education Sector Policy (ESP) in 2003, five year Education Sector Strategic Plan (ESSP) since 2003 on a rolling basis. Cap on repetition rates in 2002, fee free primary in 2004, fee free lower secondary in 2006</li> <li>• Joint framework for Sector Budget Support (SBS) signed in January 2006 the Joint Education Support Sector Programme (JESS), SBS increase to 90% of education sector funding. 2006: signature of partnership principles</li> <li>• 12 sub sector strategies developed since 2006 (Girls education, teacher management, textbooks, school health, post basic education, science and technology, etc)</li> <li>• Strong increase in education sector budget in particular since 2005, in real and nominal terms</li> <li>• Strong bias of the education budget toward higher education, but improving. Strong increase in capitation grants, textbooks, teacher training, construction since 2006–07. Cap on increase of teacher payroll</li> <li>• Education Management System (EMIS) being finalised (DFID)</li> <li>• Monitoring framework: annual Joint Review of the Education Sector (JRES) and discussion on priority action points; Ministry of Education (MINEDUC) annual operational plan, MINEDUC budget and budget execution discussed in General Budget Support (GBS) reviews and specific education budget meeting; key education indicators monitored in GBS common performance assessment framework (CPAF)</li> <li>• Nascent system of schools planning, budgeting and reporting to districts, districts developing an education plan and reporting to MINEDUC; performance contracts signed between district and each headmaster, between headmaster and each teacher, between each district mayor and the President.</li> <li>• Civil service reform led to streamlining of MINEDUC staff, and decentralisation of responsibilities to Districts and semi autonomous agencies. Weak capacity throughout the system</li> <li>• Evolution from uncoordinated donor TA and support to capacity development to the setting up of the capacity development pooled fund (2006–07) attached to the JESS, funded by DFID, CIDA and Unicef</li> </ul>
<b>Inputs: <i>What did the FTI do? What problems did it identify and how did it address them? What non-FTI inputs and processes took place over the same period?</i></b>
<ul style="list-style-type: none"> <li>• 2006 and 2009 appraisal process, Indicative Framework, request for Long Term Strategy and Financial Framework (LTSFF) to be developed. External Quality Review (EQR) on 2009 request to Catalytic Funds (CF)</li> <li>• CF funding in 2007, 2008 and 2009 as SBS</li> <li>• Education Programme Development Fund (EPDF) funding for training session, evaluation of impact of teacher contractualisation, and upcoming Country Status Report (CSR)</li> <li>• Request for an annual progress report; request for an audit of the education expenditure in 2007</li> </ul>

SUMMARY – RWANDA		
Relevance - Were the objectives of the FTI support relevant? Was the design appropriate?	Immediate effects and intermediate outcomes: What were the effects and intermediate outcomes on the sector in terms of effectiveness, and efficiency? (Immediate effects refer to processes, intermediate outcomes refer to changes in sector policy expenditure and service delivery)	
	Effectiveness – To what extent did the FTI contribute to improving education sector policies, planning, data, budgeting, level of finance, delivery, monitoring and evaluation and aid effectiveness?	Efficiency - How economically was the FTI support translated into results?
<ul style="list-style-type: none"> <li>Requirement for LTSFF relevant to promote enhanced costing</li> <li>CF funding through SBS aligned with Government of Rwanda and donor request, relevant to needs</li> <li>Flexibility to use sector wide plans relevant to align with existing</li> <li>Focus on completion, teacher management, non wage recurrent expenditure, school construction, monitoring of learning outcomes and imbalances in education budget relevant</li> <li>Requirement for specific audit in 2007 not relevant</li> </ul>	<ul style="list-style-type: none"> <li>SBS (notionally earmarked) effective in enhancing quality of policy dialogue, strengthening Public Financial Management (PFM) systems and minimising transactions costs</li> <li>CF funding, appraisal process and LTSFF requirement effective in increasing resources for education and primary education, increasing resources transferred to schools, increasing teacher numbers (contractual) and motivation, increasing school construction and textbooks procured, increasing funds for teacher training</li> <li>CF funding did not fill the financing gap in 2008 or 2009</li> <li>FTI contribution and existence of long term financing framework not efficient in improving aid predictability in short and long term, improving monitoring of learning outcomes</li> <li>Requirement for LTSFF, the FTI endorsement may have contributed to additional external funding by CIDA and Global Education Alliance, and may have contributed to some donors moving to SBS</li> <li>No specific FTI contribution on mutual accountability, results focus, or cross cutting issues</li> </ul>	<ul style="list-style-type: none"> <li>The requirement that Rwanda develop a 10-year costed plan (LTSFF) on top of its existing five-year plan, in the space of a few months, involved heavy transactions costs</li> <li>FTI appraisal and CF support flexible to encompass whole sector and use sector wide plans instead of requiring specific primary/basic education plans</li> <li>Inefficient process for 2007 and 2008 SBS: grant agreement based on investment lending project and maladapted for SBS (audit requirement)</li> <li>Initial lack of alignment of the FTI reporting requirements with national ones, improved but annual progress report remains specific</li> <li>Prospect (from local donor group) for heavy transactions cost associated with the Development Policy Operation DPO instrument for 2009 CF support</li> <li>Heavy FTI-related processes (reporting, negotiating) implies no other donor than the WB has been able to take on the role of supervising entity</li> <li>Requirement for specific audit in 2007 heavy in transactions costs and led to delays in disbursement</li> <li>Lack of predictability of CF funding put a strain on GOR cash management and budgeting</li> </ul>
<p><b>Outcomes:</b> What has been the effect on quantity, quality, access and sustainability of primary education?</p>		
<ul style="list-style-type: none"> <li>Impact on number of teachers through hiring of 2000 contractual teachers (visible on pupil-teacher ratio), impact on number of classrooms built and number of textbooks available</li> <li>Effect on sustainability through strengthening and use of government systems and minimised amount of derogations to national processes</li> </ul>		
<p><b>Sustainability:</b> Are the changes that took place in policy and planning, finance, capacity, M&amp;E and aid effectiveness interventions likely to survive? How resilient are the benefits to risks?</p>		
<ul style="list-style-type: none"> <li>Sustainability put at risk by lack of predictability of external funding to education (FTI CF and other donors) over the medium term</li> <li>Risk also if quality of partnership or trust deteriorates at local level, for political reasons, change in management team or new policy orientations</li> <li>Issue of teacher management remains a major weakness in the system, as well as school and district monitoring and reporting, but progress is being made on these aspects</li> </ul>		

STREAM 1: Policy and Planning		
Context and non-FTI inputs		
<ul style="list-style-type: none"> <li>• 2003 Country Status Report funded and carried out by the WB, 2007 Public Expenditure Review of the education sector</li> <li>• Education Sector Policy in 2003, five year Education Sector Strategic Plan (ESSP) since 2003 on a rolling basis</li> <li>• Cap on repetition rates in 2002, fee free primary in 2004, fee-free lower secondary in 2006</li> <li>• Strong Government commitment to universal 9-year basic education and science and technology teaching illustrated in the EDPRS (2008-2012), Vision 2020</li> <li>• Annual Joint Reviews of the Education Sector (JRES) since 2003, and nascent sector wide approach (SWAp) since 2003</li> <li>• Joint framework for SBS signed in 2006 (JESS)</li> <li>• 12 sub sector strategies developed since 2006 (Girls education, teacher management, textbooks, school health, post basic education, science and technology, etc)</li> <li>• Recent Government decision to "fast track progress towards nine-year basic education", including extending double shifting, teacher specialisation in primary, simplification of the curriculum and shift to a single medium of instruction (as opposed to French and English and Kinyarwanda)</li> <li>• Throughout the period, cap on increase of teacher payroll of 3% per year related to requirement of IMF programme to keep increases in the total civil service wages at 3% per year</li> </ul>		
FTI Inputs		
<ul style="list-style-type: none"> <li>• Requirement for development of 10-year costed plan: LTSFF 2006–2015 (Long Term Strategy and Financing Framework)</li> <li>• Appraisal of ESSP and LTSFF by local donor group in 2006; Appraisal for 2009 request for bridging grant to Catalytic Fund</li> <li>• IF indicators and benchmarks. EPDF funding of impact evaluation of contractual teachers scheme, and CF funding through SBS in 2007, 2008, 2009</li> </ul>		
Relevance - <i>Were the objectives of the FTI support to policy and planning relevant? Was the design appropriate?</i>	<b>Immediate effects and intermediate outcomes:</b> <i>What were the effects and intermediate outcomes on the sector in terms of effectiveness, and efficiency? (Immediate effects refer to processes, intermediate outcomes refer to changes in sector policy, expenditure and service delivery)</i>	
	<b>Effectiveness</b> – <i>To what extent did the FTI contribute to developing quality education plans encompassing UPC targets? To what extent did the FTI contribute to implementation of sector policies?</i>	<b>Efficiency</b> - <i>How economically was the FTI support to country-level policy and planning translated into results?</i>
<ul style="list-style-type: none"> <li>• The LTSFF was relevant as it led to a stronger and more credible costing exercise &amp; targets, later used in the update of the ESSP and the EDPRS.</li> <li>• Shift from projects to SBS was relevant in moving towards a policy based, sector wide dialogue</li> <li>• Focus on completion, teacher numbers, motivation and training, and need to increase non wage recurrent expenditure (textbooks) and school construction (through IF indicators, appraisal and EPDF study) was relevant to needs</li> </ul>	<ul style="list-style-type: none"> <li>• The shift to SBS contributed to enhancing the quality of the policy dialogue and planning</li> <li>• Most of the "intellectual influence" (focus on completion, teacher numbers, etc) initially came from the 2003 CSR and the WB. The appraisal process reinforced the focus, with the added strength of being linked to a potential CF support</li> <li>• FTI CF funding effectively allowed increase in capitation grant, which in turn allowed hiring of nearly 2000 contract teachers and providing a 30% bonus to all teachers, while not impacting on the civil service wage bill. As a result, pupil teacher ratio decreased from 74:1 in 2007 to 65:1 in 2008 – however, this reflects a failure to address the issue of teacher pay and civil service payroll as a whole, and did not address the weak teacher management</li> <li>• Strong increase in classroom construction and number of textbooks procured in 2007 and 2008</li> </ul>	<ul style="list-style-type: none"> <li>• The requirement that Rwanda develop a 10-year costed plan (LTSFF) on top of its existing five-year plan, in the space of a few months, involved heavy transactions costs</li> <li>• FTI appraisal and CF support flexible to encompass whole sector and use sector wide plans instead of requiring specific primary/basic education plans</li> </ul>
<b>Sustainability:</b> <i>Are the changes that took place in policy and planning interventions likely to survive? How resilient are the benefits to risks?</i>		
<ul style="list-style-type: none"> <li>• Risk: disagreement between local donors and government on the policy implications of fast tracking nine-year basic education could harm the currently high level of trust and the quality of the partnership</li> <li>• The issue of teacher management, pay and motivation will need to be addressed as a whole. The findings of the evaluation of the impact of teacher contractualisation may be useful in that respect.</li> <li>• Lack of predictability of SBS and CF funding can limit the policy options of government, in particular the possibility to make policy decisions with a long term effect on recurrent costs</li> </ul>		

<b>STREAM 2: Finance</b>		
<b>Context:</b> <i>What was the situation at level zero with respect to education finance? What was happening in country before the FTI?</i>		
<ul style="list-style-type: none"> <li>• Strong increase in education sector budget in particular since 2005, in real and nominal terms (currently 15% of total budget, 4–5% of GDP, and recurrent expenditure on education 20-25% of total rec exp)</li> <li>• Bias of education budget toward higher education, but improving (higher education 49% of education budget in 2004, 24% in 2008 and 14% in 2009; primary and pre primary 18% in 2004, 43% in 2007)</li> <li>• Strong increase in capitation grant since 2006, textbooks, teacher training, construction since 2007. Increase in teacher salaries and numbers strictly limited (and decrease in teacher salaries in real term)</li> <li>• Fiscal decentralisation starting in 2006 implies strong increase in transfers of responsibilities to districts. Capitation grants transferred directly to schools and managed by Headmaster, PTA and teachers</li> <li>• Improved visibility of the budget law and budget execution reports</li> <li>• Strong increase in GBS in 2004, 2005, 2007 and 2008</li> </ul>		
<b>Inputs:</b> <i>What did the FTI do? What problems did it identify and how did it address them? What non-FTI inputs and processes took place over the same period?</i>		
<ul style="list-style-type: none"> <li>• Requirement for LTSFF and associated costing of financing gap</li> <li>• IF benchmarks for inter and intra sectoral resource allocation</li> <li>• Financial support from CF and EPDF (CF funding represents respectively 40%, 70% and 50% of total SBS to the sector in 2007, 2008 and 2009)</li> <li>• Support to increased mobilisation of domestic and external funding for education</li> </ul>		
<b>Relevance</b> - <i>Were the objectives of the FTI support to education finance relevant? Was the design appropriate?</i>	<b>Immediate effects and intermediate outcomes:</b> <i>What were the effects and intermediate outcomes on the sector in terms of effectiveness, and efficiency? (Immediate effects refer to processes, intermediate outcomes refer to changes in sector policy, expenditure and service delivery)</i>	
	<b>Effectiveness</b> – <i>To what extent did the FTI contribute to a stronger education budget process? To what extent did the FTI contribute to the increase in total funds for primary education?</i>	<b>Efficiency</b> - <i>How economically was the FTI support to country-level finance for education translated into results?</i>
<ul style="list-style-type: none"> <li>• Revised costing in LTSFF relevant, as well as clear calculation of financing gap</li> <li>• Appraisal and donor selection of financing scenario in appraisal, and IF benchmarks raised the focus on the bias education budget towards higher education, which was relevant</li> <li>• Attempts by CF steering committee to mobilise additional donor funding relevant</li> <li>• Requirement for specific audit not relevant to needs (existing PER and fiduciary risk assessment)</li> </ul>	<ul style="list-style-type: none"> <li>• FTI CF support did not fill the financing gap in 2008 nor in 2009</li> <li>• FTI CF support has contributed to an increase in the whole education sector budget (except higher education and teacher payroll) and key budget lines (capitation grant, construction, textbooks)</li> <li>• LTSFF costing and link with the access to CF funding meant that it was used by the Ministry of Finance and Economic Planning (MINECOFIN) to allocate funds to MINEDUC, which contributed to an increased allocation to education, and a lower share to higher education</li> <li>• Notional earmarking avoided derogation from national processes</li> <li>• Increase in capitation grant meant increased decentralisation of education budget and increased proportion of funds arriving directly at school level</li> <li>• Donor funding to education increased significantly higher than expected, and the share of external funding provided as SBS increased to 90% in 2008. Some donors (CIDA) may have joined as a result of the FTI endorsement (among other reasons), but the increase in donor support is mostly due to good planning, good results and strong donor coordination (and JESS)</li> <li>• Shift to SBS (and GBS) may have contributed to stronger sector PFM, through dialogue, increased use of country systems</li> </ul>	<ul style="list-style-type: none"> <li>• Requirement for specific audit heavy in transactions costs and led to delays in disbursement</li> <li>• Lack of predictability of CF funding put a strain on GOR cash management and budgeting</li> </ul>
<b>Sustainability:</b> <i>Are the changes that took place in the education budget process and the level of finance for primary education likely to survive? How resilient are the benefits to risks?</i>		
<ul style="list-style-type: none"> <li>• Lack of predictability in the medium term</li> <li>• Prospect that many donors will come out of the education sector, mainly in relation with the EU division of labour (Sida, CIDA, Belgium) and the level of existing donor support in particular CF support (WB)</li> <li>• Strong involvement of MINECOFIN in the FTI discussions and sector coordination and policy dialogue is positive for sustainability of domestic financing to education and improved PFM systems</li> </ul>		

STREAM 3: Data and Monitoring & Evaluation		
<b>Context:</b> <i>What was the situation at level zero with respect to data and M&amp;E? What was happening in country before the FTI? Was quality and use of data relevant to the context and to the monitoring needs of the education strategies?</i>		
<ul style="list-style-type: none"> <li>• 2003 CSR provided input on data analysis</li> <li>• EMIS being finalised (DFID funded)</li> <li>• EICV (household living conditions survey) 2001 and 2006</li> <li>• Monitoring framework: annual JRES and discussion on priority action points; MINEDUC annual operational plan, MINEDUC budget and budget execution discussed in GBS reviews and specific education budget meeting; key education indicators monitored in GBS performance assessment framework (CPAF)</li> <li>• Nascent system of schools planning, budgeting and reporting to districts, districts developing an education plan and reporting to MINEDUC; performance contracts signed between district and each headmaster, between headmaster and each teacher, between each district mayor and the President</li> </ul>		
<b>Inputs:</b> <i>What did the FTI do? What problems did it identify and how did it address them? What non-FTI inputs and processes took place over the same period?</i>		
<ul style="list-style-type: none"> <li>• Indicative Framework and benchmarks</li> <li>• Appraisal process in 2006 and 2009</li> <li>• Reporting requirements to the FTI</li> <li>• EPDF funding of upcoming Country Status Report</li> </ul>		
<b>Relevance</b> - <i>Were the objectives of the FTI support relevant to data and M&amp;E needs? Was the design appropriate?</i>	<b>Immediate effects and intermediate outcomes:</b> <i>What were the effects and intermediate outcomes on the sector in terms of effectiveness, and efficiency? (Immediate effects refer to processes, intermediate outcomes refer to changes in sector policy, expenditure and service delivery)</i>	
	<b>Effectiveness</b> – <i>To what extent did the FTI contribute to improved collection of data and better information services? To what extent is there better use of data to inform policy and funding?</i>	<b>Efficiency</b> - <i>How economically was support to country data and M&amp;E translated into results?</i>
<ul style="list-style-type: none"> <li>• IF indicators and benchmarks relevant but already introduced by WB during 2003 CSR</li> <li>• Focus on learning outcomes relevant</li> </ul>	<ul style="list-style-type: none"> <li>• No major progress on the issue of monitoring of learning outcomes</li> <li>• Annual progress reports to the FTI may have contributed to enhanced quality of reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Specific FTI reporting requirements (annual progress report) added transactions costs and were additional to existing framework</li> </ul>
<b>Sustainability:</b> <i>Are the changes that took place in data and M&amp;E management likely to survive? How resilient are the benefits to risks?</i>		
<p>Key challenges in the short to medium term include:</p> <ul style="list-style-type: none"> <li>• Better alignment of priority actions of the JRES with the GBS CPAF, the ESSP logframe and the annual workplan of MINEDUC</li> <li>• Streamlining the process of sector reporting (schools to districts, districts to ministries, and MINEDUC to MINECOFIN and to donors)</li> <li>• Improving the quality of reporting on (and analysis of) budget execution</li> </ul> <p>A positive sign is the recent definition by MINECOFIN of a comprehensive reporting structure and link between sector reviews, Joint Budget Support Reviews and EDPRS monitoring framework.</p>		

<b>STREAM 4: Capacity</b>		
<b>Context:</b> <i>What was the situation at level zero with respect to capacity? To what extent was the capacity adequate for EFA and UPC targets?</i>		
<ul style="list-style-type: none"> <li>At national level, 2003: Public Service Reform Strategy; Creation of Human Resource and Institutional Capacity Development Agency (HIDA); 2007: comprehensive review of the wage structure of the public sector</li> <li>Civil service reform led to streamlining of MINEDUC staff, and decentralisation of responsibilities to Districts and semi autonomous agencies. Weak capacity throughout the system</li> <li>Evolution from uncoordinated donor TA and support to capacity development to the setting up of the capacity development pooled fund (2006–07) attached to the JESS, funded by DFID, CIDA and Unicef</li> <li>Pooled fund operations required development of annual capacity building action plan for the sector. The fund financed training on school management for head teachers and bursars, further training planned for PTAs to enhance their role in managing and monitoring the school budget</li> </ul>		
<b>Inputs:</b> <i>What did the FTI do? What problems did it identify and how did it address them? What non-FTI inputs and processes took place over the same period?</i>		
<ul style="list-style-type: none"> <li>EPDF-financed training session in Mauritius and evaluation of impact of teacher contractualisation</li> <li>Appraisal of the ESP</li> <li>CF funding in 2007, 2008, 2009</li> </ul>		
<b>Relevance</b> - <i>Were the objectives of the FTI support to policy and planning relevant? Was the design appropriate?</i>	<b>Immediate effects and intermediate outcomes:</b> <i>What were the effects and intermediate outcomes on the sector in terms of effectiveness, and efficiency? (Immediate effects refer to processes, intermediate outcomes refer to changes in sector policy, expenditure and service delivery)</i>	
	<b>Effectiveness</b> – <i>To what extent did the FTI contribute to implementation of measures to strengthen capacity? To what extent was quality capacity created to implement policy and services?</i>	<b>Efficiency</b> - <i>How economically was the FTI support to country-level capacity building translated into results?</i>
<ul style="list-style-type: none"> <li>Contribution of EPDF funds and appraisal process to capacity development marginal</li> <li>Use of SBS relevant</li> <li>CF funding relevant</li> </ul>	<ul style="list-style-type: none"> <li>CF funding has contributed to teacher training through increase in capitation grant (which includes a component devoted to teacher training) and funding of two new teacher training colleges</li> <li>Global education alliance support to Rwanda (support to develop a Rwanda ICT policy in education) related to the FTI endorsement</li> </ul>	<ul style="list-style-type: none"> <li>Use of SBS implies additional requests on national systems, because it uses them</li> <li>Heavy FTI-related processes (reporting, negotiating) implies no other donor than the WB has been able to take on the role of supervising entity</li> <li>DFID has so far been the only donor with the capacity (and the willingness) for endorsing the role of lead donor – and has therefore been the lead donor since 2003</li> </ul>
<b>Sustainability:</b> <i>Are the changes that took place in capacity likely to survive? How resilient are the benefits to risks?</i>		
<ul style="list-style-type: none"> <li>Need for effective strengthening of capacity at all levels, in order to enhance management of education sector and implementation of policies</li> <li>Need for enhanced coordination between sector level capacity development and national level processes (civil service reform, HIDA)</li> <li>Need for strengthened donor capacity in order to ensure sustainability of system, and allow more flexibility in allocation of the role of lead donor and supervising entity</li> </ul>		

<b>STREAM 5: Aid Effectiveness</b>		
<b>Context:</b> <i>What was the situation at level zero with respect to aid effectiveness? What was happening in the sector before the FTI? To what extent was aid for education efficiently &amp; effectively provided?</i>		
<ul style="list-style-type: none"> <li>National level: Aid policy in 2006, GOR preferred aid modality is GBS and non earmarked SBS</li> <li>Education first SWAp since 2003, JRES ongoing since 2003. Other sectors emulating since (health, rural development, decentralisation, transport, etc)</li> <li>2006: signature of JESS and subsequent strong increase in the share of SBS in education financing</li> <li>2006: signature of partnership principles</li> </ul>		
<b>Inputs:</b> <i>What did the FTI do? What problems did it identify and how did it address them? What non-FTI inputs and processes took place over the same period?</i>		
<ul style="list-style-type: none"> <li>Appraisal process in 2006 and 2009</li> <li>FTI CF funding in 2007, 2008, 2009 through SBS (and subsequently through a DPO in 2009)</li> </ul>		
<b>Relevance</b> - <i>Was the FTI support to aid effectiveness relevant? Was the design appropriate?</i>	<b>Immediate effects and intermediate outcomes:</b> <i>What were the effects and intermediate outcomes on the sector in terms of effectiveness, and efficiency? (Immediate effects refer to processes, intermediate outcomes refer to changes in sector policy, expenditure and service delivery)</i>	
	<b>Effectiveness</b> – <i>To what extent did the FTI contribute to more international aid, and to aid that is better, coordinated and more coherent with domestic efforts in the sector?</i>	<b>Efficiency</b> - <i>How efficiently was aid delivered?</i>
<ul style="list-style-type: none"> <li>FTI appraisal process relevant in strengthening cohesion of donor group and strength of partnership with GOR</li> <li>Notionally earmarked SBS for CF funding relevant to support better ownership and alignment</li> <li>Initial requirement for 10-year plan relevant in that it could have provided the framework for longer term predictability of external financing to education</li> </ul>	<ul style="list-style-type: none"> <li>Use of notional earmarking and of SBS effective in allowing ownership and flexibility of budget allocations, and strengthening national accountability systems</li> <li>Prospect for CF support in 2009 effective in pushing dialogue and agreement on contentious areas related to fast tracking of 9-year basic education (double shifting, teacher specialisation)</li> <li>Existence of LTSFF (required by the FTI) may have fostered the move of some donors towards SBS</li> <li>Negative influence of the FTI CF on predictability, both short term and long term (agreement on funding too late for inclusion in budget law; disbursements late in budget year or following year; unforeseen conditionalities emerging (audit, report format); one year programme at a time; lack of clarity on conditionality framework for CF disbursements)</li> <li>LTSFF did not help increase the long term predictability of donor support</li> <li>No FTI contribution on the issue of mutual accountability or on results focus</li> </ul>	<ul style="list-style-type: none"> <li>Inefficient process for 2007 and 2008 SBS: grant agreement based on investment lending project and maladapted for SBS (audit requirement)</li> <li>Lack of alignment of the FTI reporting requirements with existing ones (improved over the years)</li> <li>Prospect (from local donor group) for heavy transactions cost associated with DPO instrument for 2009 CF support</li> </ul>
<b>Sustainability:</b> <i>Are the changes that took place with respect to aid effectiveness likely to survive? How resilient are the benefits to risks?</i>		
<ul style="list-style-type: none"> <li>Need for improved alignment of overall donor reporting requirements with national (internal) ones (MINEDUC to MINECOFIN, MINEDUC to President and Prime Minister, MINEDUC/MINECOFIN to Parliament)</li> <li>Need for better predictability short, medium and longer term</li> <li>Existing donor coordination mechanisms strongly owned by GOR, definition of terms of reference minimises risk related to donor turnover</li> </ul>		

<b>STREAM 6: Cross-Cutting Issues (HIV/AIDS, gender, equity and exclusion)</b>		
<b>Context:</b> <i>What was the situation at level zero with respect to cross-cutting issues? What was happening in country before the FTI?</i>		
<ul style="list-style-type: none"> <li>• Incidence of HIV/AIDS less than in neighbouring countries (3% of the age group 15–49), and decreasing significantly since the post genocide period. No specific HIV/AIDS policy but School Health policy being adopted</li> <li>• Rwanda has achieved gender equity in primary and secondary school enrolment, but remaining issues on performance at national examinations, completion, and access to upper secondary and higher education. GOR adopted a Girls education policy in recent years and is developing incentives and communication programmes, access to sanitation and protection from abuse, and enhanced teacher training</li> <li>• Following the genocide and war in 1994, Rwanda has one of the highest orphan hood rates in the world. The creation of the government-funded fund for genocide victims (FARG) in 1998 helped providing school fees, uniforms and material to orphans. As a result of FARG and strong social compassion school participation rates for orphans are relatively high. Government has set up a catch up programme for bringing "hard-to-reach" children back into the formal schooling system</li> </ul>		
<b>Inputs:</b> <i>What did the FTI do? What problems did it identify and how did it address them? What non-FTI inputs and processes took place over the same period?</i>		
<ul style="list-style-type: none"> <li>• 2006 appraisal of the ESP by local donors</li> <li>• IF benchmarks</li> <li>• CF funding</li> <li>• EPDF funding for upcoming CSR</li> </ul>		
<b>Relevance</b> - <i>Were the objectives of the FTI support to cross cutting issues relevant? Was the design appropriate?</i>	<b>Immediate effects and intermediate outcomes:</b> <i>What were the effects and intermediate outcomes on the sector in terms of effectiveness, and efficiency? (Immediate effects refer to processes, intermediate outcomes refer to changes in sector planning and implementation with respect to cross-cutting issues)</i>	
	<b>Effectiveness</b> – <i>To what extent did the FTI contribute to improved strategies to address cross cutting issues? To what extent did the FTI contribute to implementation of these strategies?</i>	<b>Efficiency</b> - <i>How economically was the FTI support to cross cutting issues translated into results?</i>
<ul style="list-style-type: none"> <li>• The appraisal process and IF benchmarks were not particularly relevant in addressing cross cutting issues, but benefited from existing initiatives at local level</li> </ul>	<ul style="list-style-type: none"> <li>• FTI did not contribute to improved strategies to address cross cutting issues</li> <li>• FTI CF contributed to funding the implementation of GOR's policies and programmes on cross cutting issues. The FTI CF funding did not contribute financially to an increase in FARG support to education (the amount going to education expenditure from FARG is not included in the education budget)</li> </ul>	<ul style="list-style-type: none"> <li>• The appraisal process did mention ongoing activities on cross cutting issues (policies being adopted, data and trends) but created no additional transactions costs</li> </ul>
<b>Sustainability:</b> <i>Are the changes that took place in the manner in which cross-cutting issues are addressed likely to survive? How resilient are the benefits to risks?</i>		
<ul style="list-style-type: none"> <li>• Strong government ownership and involvement of local donors are positive signs of sustainability</li> </ul>		

## Annex A – Timeline of the FTI Events

Date	International Context	Rwanda Context	Education Policy in Rwanda	FTI in Rwanda
1980 – 1990		<p>Rwanda gained its independence from Belgium in July <b>1962</b>.</p> <p>In the <b>1960s and 1970s</b>, prudent financial policies, coupled with generous external aid and favourable terms of trade, fostered sustained growth.</p> <p>Although agricultural production per capita and crop yields were declining steadily since the mid-1980s, economic policy did not do enough to encourage agricultural transformation. Moreover, the country suffered massive terms of trade shock when international coffee prices fell. As a result, per capita income fell sharply during the 1980s and early 1990s.</p> <p>Low agricultural productivity: failure in making the transition in the early 1980s from low-value agriculture to high value farming.</p> <p>Child mortality fell from 233 per thousand in 1975–1980 to 140 per thousand in 1986–1990, and then rose very sharply to 219 per thousand during the period of the genocide</p>		

Date	International Context	Rwanda Context	Education Policy in Rwanda	FTI in Rwanda
1990 1999	<p><b>March 1990</b> World Conference on Education for All, in Jomtien, Thailand adopted the World Declaration on Education for All, which stated that all have a right to education. The conference recognised the setbacks experienced in the 1980's by many South nations and made a commitment to meeting basic learning needs of every citizen</p>	<p>Poverty was increasing in the late 1980s and early 1990s. The proportion of households below the poverty line reached 53% in <b>1993</b>.</p> <p><b>Between April and July 1994</b>, there was a systematic campaign of genocide aimed at completely eliminating a substantial section of the population. Up to 1 million people were killed and 3 million fled into exile in neighbouring countries. Consequences: dramatic deterioration in human development indicators. The war and genocide left 85,000 child-headed households.</p> <p>The prevalence of HIV increased dramatically. Maternal mortality rate rose from 500 per 100,000 in 1992 to an average of 1071 in 1995–2000. In <b>1996</b> a high proportion of households are headed by women (34%) and by female widows (21%). Women form the majority of the adult population. <b>Since 1994</b>, stability and security have been restored. Political and administrative structures have been established which decentralise power to the local level and encourage popular participation. GDP declined sharply during the four years of civil war that culminated in the genocide of 1994. Since then, GDP has been growing steadily again under a programme of improved tax collection, accelerated privatisation of state enterprises, and continued improvements in export crop and food production.</p>	<p>In <b>1995</b>, 79% of core civil servants had not completed secondary education; this proportion fell to 51% by 1998.</p> <p><b>1998</b> establishment of the tax-funded Genocide Fund as a mechanism for assisting orphans in secondary school.</p> <p>In the aftermath of the 1994 genocide, the Government focused on ensuring the broadest possible access to education, especially primary education</p>	

Annex A: Timeline of the FTI Events

Date	International Context	Rwanda Context	Education Policy in Rwanda	FTI in Rwanda
1999	<p>Education For All (EFA) Assessment <b>1999–2000</b>, involving six regional conferences revealed that the EFA agenda had been neglected.</p>	<p>The <b>1999</b> Census of producers shows that coffee is produced by about 400,000 small farmers (only 60% of the number before 1994); mostly in small stands of trees of which 20–25% are over 30 years old. 24% of the producers are women, which marks a shift in traditional roles where only men were associated with cash crops.</p> <p>The utilisation of health services in Rwanda is low, and has fallen during the 1990s.</p>	<p>Only five years after the genocide, the number of children in primary school had already surpassed the number that would have been enrolled had the system expanded at historical rates of increase.</p>	
2000	<p>United Nations Millennium Summit in <b>2000</b>, 189 world leaders signed up to try and end poverty by 2015 when they agreed to meet the Millennium Development Goals.</p>	<p>In 2000, EICV data shows a population of nearly 8m, 60% of which below the poverty line. Population increase of 8.5% p.a. DHS data show a life expectancy of 49 years; child mortality of nearly 200 per 1000 and HIV prevalence of 13.7%.</p> <p>The country faces the following microeconomic structural problems: low agriculture productivity; low human resource development, especially in literacy and skills development; limited employment opportunities, with an oversupply of unskilled workers in comparison to their low demand; high population density and growth; high transport costs; environmental degradation, with a chronic decline in soil fertility, poor water management, and deforestation.</p> <p>With a per capita GDP of only USD 242 in 2000, Rwanda is one of the poorest countries in the world</p> <p>The Gender Action Plan was adopted in <b>August 2000</b>.</p>	<p>The education system has expanded in ways that has nudged it toward a good balance between the public and private sectors.</p> <p>School participation rates are relatively high, even among orphans. The 1994 genocide left Rwanda with one of the highest orphanhood rates in the world; nearly 40% of the children aged 7–14 years in <b>2000</b> have lost at least one parent. Yet, the gap in enrolments between orphans and other children is noticeable only among the most vulnerable children.</p> <p>The Government has established the Rwanda Information Technology Agency (RITA) and developed a twenty-year strategy ICT-led socio-economic development framework and an integrated plan for 2001–5.</p> <p>EICV data shows adult literacy rate 52% in 2000.</p>	

<p>2001</p>	<p>G8 Meeting - Genoa, Italy. <b>July 2001</b>: G8 countries establish an EFA Task Force, to be led by Canada</p>	<p>The CWIQ <b>2001</b> survey found that 90% of the working population are mainly employed in agriculture, including 23% of those working in urban areas, and that 89% of the working population are classified as self-employed or unpaid (typically family members working on the family farm). Open unemployment is rare (less than 1% of the population of working age 15 years and over in rural areas and less than 4% in urban areas). However about 10% of the population is underemployed.</p> <p>Most, but not all, of the population have access to land, but in very limited amounts (85% of rural households report that they own land but the average holding is just 0.71 hectares and 95% of farmers farm 2 hectares or less).</p> <p>The 2001 Household Living Conditions Survey (EICV) found that nationally, 60% of people fall below the poverty line. 71% of children had received total coverage for all vaccinations. Child malnutrition has been estimated at 6.7% for wasting and 42.7% for stunting (MICS data 2001).</p> <p>The EICV 2001 Survey estimates the rate of literacy at 47.8% for women and 58.1% for men. Considerable differences between income groups as regards the completion of primary school, but few differences by gender.</p>	<p>The Government starts the process for designing a sector-wide education strategy. The expansion of student numbers has been accompanied by an expansion of facilities and teaching staff. Public spending on education in 2001 is 5.5% of GPD (mainly capital investments).</p> <p>Education at secondary and higher levels is extremely low. 33% of the population of 15 years and above have no education, and 60% have only primary education. 7.1% have post-primary or secondary education, and only 0.4% have some tertiary education. Primary education has a gross enrolment rate of 99.9% and a net enrolment rate of 73.3%. However the system is suffering from high drop-out and repetition rates of 12.8% and 37.6% respectively at the national level, indicating significant quality and efficiency problems. The CWIQ data gives some evidence on the reasons for ceasing to attend school.</p>	
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Annex A: Timeline of the FTI Events

<p>2002</p>	<p>G8 Washington, DC USA. <b>April 2002:</b> The Development Committee endorses the proposed EFA Action Plan and approves the Fast Track Initiative (FTI).</p> <p>Education for All (EFA) Amsterdam, Netherlands. <b>April 2002:</b> Developing countries and their external partners agree at a Dutch-World Bank sponsored conference on broad principles for scaling up EFA efforts; the Netherlands commits 135 million Euro to set the process in motion.</p> <p>G8 Kananaskis, Canada. <b>June 2002:</b> agreement to significantly increase bilateral assistance for the achievement of EFA and to work with bilateral and multilateral agencies to ensure implementation of the FTI.</p> <p>EFA Global Monitoring Report was established to monitor progress towards the six EFA goals.</p>	<p>Rwanda had a population of 8.16 million according to preliminary results from the 2002 census.</p> <p>Extremely wide gap between Kigali-urban and the other provinces. 75% of people in Kigali-urban are in the top expenditure quintile for the country. Additionally, food poverty is largely rural with 96% of the food-poor living in rural areas.</p> <p>Within provinces, Gini coefficients range from 0.324 to 0.433 (inequality has increased since the mid-1980s)</p> <p>The prevalence of HIV is 11.2% nationally and 10.8% in rural areas, compared to a rate of 1.3% in rural areas in 1986. Child mortality has fallen to 196, but still remains very high implying that almost 1 of every 5 children in Rwanda dies before they reach their fifth birthday.</p> <p>Vulnerability to external price shocks: earnings from coffee exports fell from USD45 million in 1997 to USD 26 million in 1999 because the price dropped to less than half, even though volume increased.</p> <p>Government adopts PRSP</p>	<p>The primary educational system is almost entirely public or grant-maintained, and fees are low, at RWF 300 per pupil per year. In secondary education, 56% of students are in public schools or government-assisted schools and fees are much higher, at RWF 21,000 per pupil per year.</p> <p>The Ministry of Youth, Sport and Culture (MIJESPOC) supports vocational training centres.</p> <p>The 2002 PRSP highlights the weakness of vocational training in Rwanda, and the fact that many professionals, such as mechanics, are imported from neighbouring countries</p> <p>Some schools receive supplies in kind from district offices, as well as varying levels of funds from NGOs, school fees and other income generating activities, however schools receive no funds from the central level, except salaries. In poor communities, a significant proportion of children may not be able to pay fees.</p>	
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<p>2003</p>	<p>Rome Declaration on the harmonisation of aid, Rome, <b>Feb 2003</b>.</p> <p>FTI Donors Meeting - Paris, <b>March 2003</b>: Donors agree on modus operandi for the FTI that is country driven, secure funding for the seven countries and agree on an operating framework for the FTI.</p> <p>The FTI Catalytic Fund (CF) was established. It aims to provide transitional grants over a maximum of 2–3 years to enable countries lacking resources at country-level but with the FTI endorsed education sector plans to scale up the implementation of their plans.</p> <p>FTI Partnership Meeting Oslo Meeting, <b>November 2003</b>: Ministers and senior officials from the first FTI countries, Civil Society and donors meeting together for the first time. Discussion of the definition, modalities, instruments, and governance of the FTI partnership. Agreement that the FTI should be opened to all low-income countries.</p>	<p>The economy has been liberalised through the reduction of tariffs in line with the objectives of the Cross Border Initiatives of COMESA. The coffee export tax has been removed, tea prices have increased to reflect world prices more closely, and foreign exchange has been liberalised including the introduction of foreign-currency deposits and a weekly auction.</p> <p>Paul Kagame is elected President in the first presidential elections since the genocide.</p> <p>Signature of the Partnership Framework for Budget Support</p>	<p>Adoption of the Education Sector Policy</p> <p>Adoption of the first ESSP (2003-2007)</p> <p>First Joint Review of the Education Sector</p> <p><b>June 2003</b> RESEN Education in Rwanda (Rebalancing Resources to accelerate post-conflict development and poverty reduction) is presented. A fee-free primary education policy was introduced to enable more children to attend school.</p> <p>The gross enrolment ratio is at 107% level exceeding the corresponding ratio for the average low income country in Africa in 2003. In secondary education, the number of students grew at 20% a year since 1996, implying that the system is nearly three times as large as it was in the earlier year. In higher education, enrolments rose even more rapidly: from 3,400 students in 1990–91 to nearly 17,000 by 2001-02, nearly a fourfold increase in a decade.</p> <p>Diversity in allocation: resources are inequitably distributed across schools and learning environments are highly disparate.</p> <p>Primary education receives only about 45% of public recurrent spending on education, whereas higher education gets nearly 40%. The input mix in public primary schools favours teacher qualification</p>	
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Annex A: Timeline of the FTI Events

			at the expense of class size and instructional time. The country's pupil-teacher ratio at 57 pupils per teacher is among the highest in the world.	
2004	<p>Education Programme Development Fund (EPDF) was established in <b>November 2004</b> as a funding window under the FTI to support low income countries improve the quality and sustainability of their education sector planning and programme development.</p> <p>FTI Partnership Meeting, <b>Nov 2004</b>, Brasilia, Brazil, third meeting of the FTI partnership. There was agreement on the FTI Framework document and the need for more formal Assessment Guidelines.</p>		Fee free primary education (and beginning of the capitation grant)	<p><b>December 17 2004</b></p> <p>Letter of the FTI presentation and informative documentation sent to the Minister of Education of Rwanda</p>
2005	<p><b>March 2005</b>, Paris Declaration, was endorsed by over one hundred Ministers, Heads of Agencies and other Senior Officials. Who committed their countries and organisations to continue to increase efforts in the harmonisation, alignment and management aid for results with a set of monitorable actions and indicators.</p> <p>UN World Summit New York, <b>September 2005</b>: delegates were accused of producing a "watered-down" outcome document which merely reiterates existing pledges.</p> <p><i>Meeting of the Catalytic Fund Strategy Committee Beijing</i></p>	<p><b>From 2000 to 2005</b>, Rwanda's economy grew at an average rate of 5% in real terms. This growth varied from year to year because of fluctuations in agricultural production. It rose from 6% in 2000 to 6.7% in 2001, then rose again to 9.6 % in 2002 before plummeting to 0.9% in 2003 and then rising to 4% in 2004 and 6% in 2005. The growth recorded in <b>2005</b> is attributable primarily to the performance of the agricultural sector, manufacturing industries, and services. In spite of the generally satisfactory macro-economic and social indicators recorded during the past five years, poverty still affects about 60% of the population in Rwanda. The level of poverty is higher in rural areas than in urban areas. Indeed, households below the poverty threshold represent about 23% of the urban population and 67% of the</p>	<p><b>May 2005</b> The ESSP has undergone an annual process of development since it was first launched in 2003.</p> <p><b>September 2005</b> Joint Education Sector Support (JESS). JESS is created to support the operationalisation of the <b>ESSP</b> by providing a channel for joint development partner support to the education sector in Rwanda over the five-year period January 2006 to December 2010. The JESS Programme creates opportunities for more efficient external financing to the education sector through the introduction of sector budget support and pooled funding modalities.</p> <p>A new Higher Education Law (<b>2005</b>) organises this sub-sector into a</p>	

	(China) on <b>December 2, 2005</b>	<p>rural population.</p> <p>Furthermore, as a result of the Government's efforts in public expenditure management and of progress made in the implementation of the Government's Poverty Reduction Strategy (PRS)<sup>1</sup>, Rwanda reached the HIPC initiative completion point in <b>April 2005</b> and was one of the countries that benefited from the agreement reached in <b>June 2005</b> by the G8 Ministers of Finance to cancel debts owed to multilateral institutions.</p>	<p>coherent framework and together with an ambitious Science &amp; Technology Policy (<b>2006</b>) that affects all levels of education, defines the operating environment to improve skills to create a knowledge-based economy.</p> <p><b>December 1–2, 2005</b> 5th Meeting of the Government of Rwanda and Development Partners</p>	
<b>2006</b>	<p>Committee on the Rights of the Child (41st session), Geneva, Switzerland.</p> <p>Educational Roundtable, World Bank/IMF Annual Meetings, <b>September 2006</b>, Singapore. The meeting focused on the progress that Finance Ministers from developing countries have made in preparing long term plans to achieve the education MDGs</p> <p><i>FTI Catalytic Fund Strategy Committee meeting</i> took place in <i>Cairo</i> on the <b>12<sup>th</sup> of November 2006</b>. In this meeting the eligibility criteria regarding accessing the Fund were changed, allowing countries with large number of in-country donors to apply.</p>	<p>Launch of the fiscal decentralisation to districts</p> <p>Revised Organic Budget Law adopted by Parliament</p>	<p><b>March 2006</b> Memorandum of Understanding between DFID and Government of Rwanda regarding JESS. DFID assigned a sum not exceeding £13 million to Rwanda for JESS. The Grant starts on 1<sup>st</sup> January 2006 and will end 31<sup>st</sup> December 2010</p> <p>Government has attracted external donors to the sector (there are 15 partners in <b>2006</b>) and estimates that external resources make up 14% of the total education sector budget.</p> <p><b>April 2006</b> Fourth update of ESSP</p> <p><b>September 2006</b> LTSFF (Long Term Strategy and financing framework 2006–2015)</p>	<p><b>March 29 2006</b> EFA-FTI Letter to the Minister of Education: acknowledgement of Rwanda's interest in joining the FTI Partnership and Rwanda's efforts in incorporating EFA into ESSP.</p> <p><b>June 2007</b> Rwanda has applied for endorsement by the Education for All-Fast Track Initiative and expects to present its financing requirement in the <b>fall of 2006</b>.</p> <p><b>August 15 2006</b> EFA–FTI Letter: Launch of the In–Country Appraisal and Endorsement Process.</p> <p><b>September 9 2006</b> Letter to the FTI to inform the FTI Partnership that development partners in Rwanda (coordinated by DFID) have reviewed the Government's ESSP and LTSSF 2006–2015 and have endorsed them for the purposes of the FTI assessment.</p> <p><b>November 22 2006</b> EFA-FTI Welcome Letter following the</p>

Annex A: Timeline of the FTI Events

				<p>successful appraisal and endorsement of Rwanda's ESSP by local donor group.</p> <p><b>November 28 2006</b> World Bank Letter: Notification of a Grant from the FTI Catalytic Fund to Rwanda. (amount of USD 26 million for 2007/08 and an additional allocation of USD 44 million for 2008/09)</p>
<p><b>2007</b></p>	<p>Committee on the Rights of the Child (45th Session).</p> <p>Keeping our Promises on Education, <b>May 2007</b>, Brussels, organised by the EC, the UK and the World Bank. The objective was to seek concrete proposals and commitments for action to deliver on the promise to give all the world's children a full primary education by 2015.</p> <p><i>Catalytic Fund's Strategy Committee meeting, Bonn, Germany, on <b>May 23, 2007</b></i></p> <p>In <b>Oct 2007</b>, the German Federal Ministry for Economic Cooperation and Development organised an international forum on "Capacity Development for Education for All: Putting Policy into Practice." Participants recommended more strategic use of the EPDF to support capacity development activities</p> <p><i>Catalytic Fund's Strategy Committee meeting , Dakar, <b>December 10 2007</b></i></p>	<p>Inflation declined slightly through <b>April 2007</b>, but inflation excluding food and energy items picked up to over 6% since February after holding steady at 5% for several years.</p>	<p><b>May 2007</b> 5<sup>th</sup> Joint Review of the Education Sector</p> <p><b>December 6 2007</b> Rwanda MINECOFIN Letter: Disbursement Request of the second tranche of the CF.</p>	<p><b>July 2007</b> Public Expenditure Review of the Education Sector – Rwanda</p> <p><b>September 6 2007</b> Letter of Agreement from the FTI Catalytic Fund to Rwanda (Grant Agreement in an amount not exceeding USD 26m in two tranches)</p> <p><b>01/01/2007 to 30/09/2007</b> Progress Report EFA-FTI Catalytic Fund (1st tranche USD 13 million)</p> <p><b>December 2007</b> Rwanda Implementation Progress Report</p>

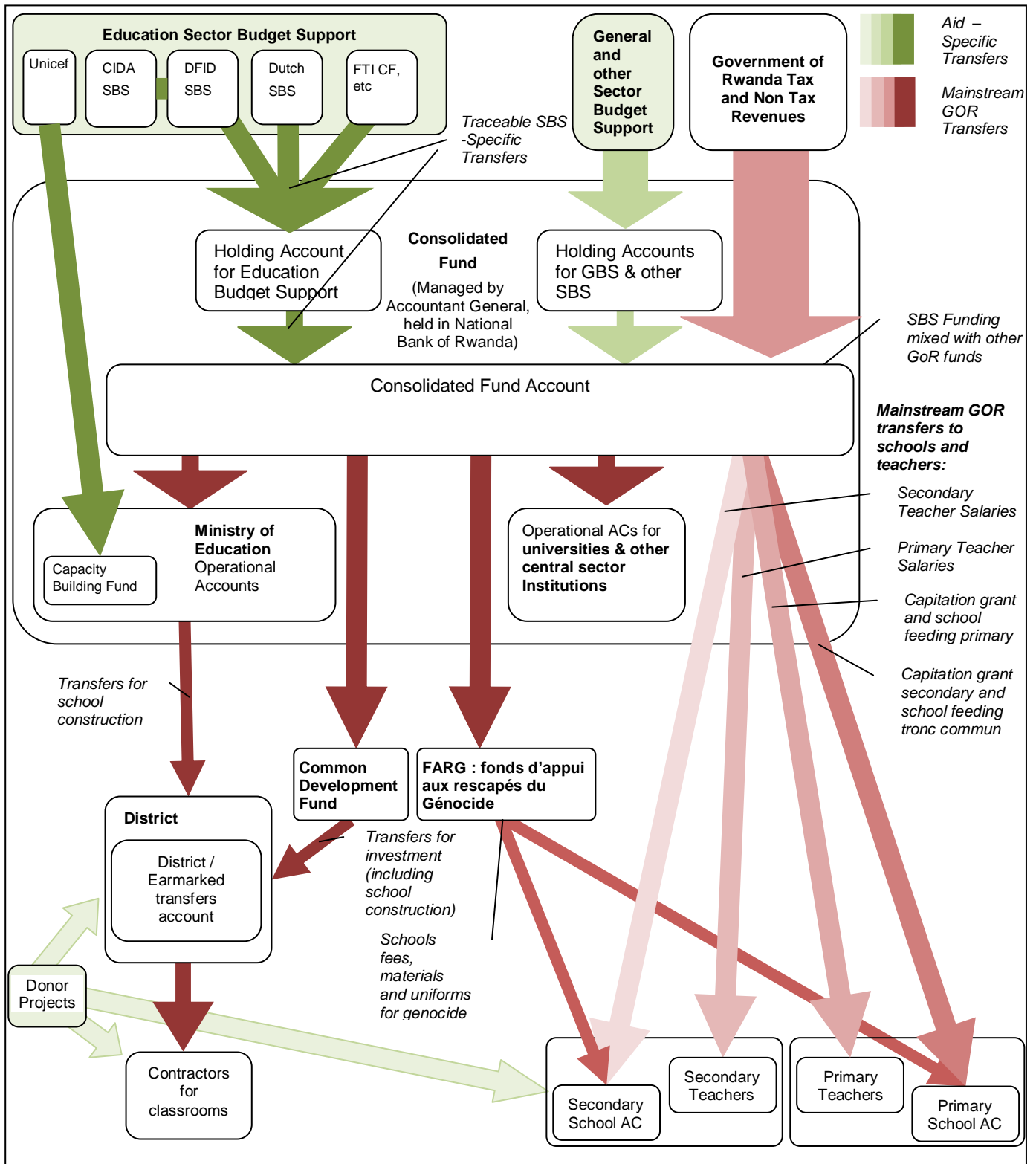


## Annex B – Progress towards MDG Targets in Rwanda

MDG	Baseline (2000)	Latest status	MDG Target 2015	Attainment prospects
<b>1. Eradicate extreme poverty and hunger</b>				
Poverty headcount (below national poverty line)	60.4%	56.9%	30.2%	Not likely
Extreme poverty incidence	41.3%	36.9%	20.7%	Not likely
Prevalence of malnutrition (children under 5)	24.5%	18%	15%	Attainable
<b>2. Achieve universal primary education</b>				
Net primary enrolment	72.0%	96%	100%	Attainable
Completion rate in primary school	24.2%	52%	100%	Attainable
<b>3. Eliminate gender disparity</b>				
Women participation in parliament		56%	50%	Achieved
Gender equality in primary and secondary education		Achieved		Achieved
<b>4. Reduce child mortality</b>				
Under 5 mortality (per 1000)	196.0	103.0	65.0	Attainable
Infant mortality rate (per 1000)	107.0	62.0	35.0	Attainable
<b>5. Reduce maternal mortality</b>				
Maternal mortality (per 100000)	1071.0	750	286	Not likely
<b>6. Halt/reverse AIDS, malaria and other diseases</b>				
HIV prevalence	13%	3%		Attainable
Malaria related mortality	51%	26%		Attainable
<b>7. Ensure environmental sustainability</b>				
Access to improved water source	64%	71%	82%	Attainable

Source: MINECOFIN presentation at Development Partners Meeting, November 2008

## Annex C – Flow of Funds in the Rwanda Education Sector



Source: Mokoro & ODI 2009

## Annex D – Dimensions of Aid on Budget in the Rwanda Education Sector

Dimensions of aid on budget		Projects	SBS	Capacity Building pooled fund
<b>On plan</b>	<i>Aid spending integrated into strategic planning and supporting documentation for policy intentions behind the budget submissions.</i>	Captured in the Public Investment Plan.	On plan. Commitments tail off after 2010.	Related to the Capacity Building Action Plan.
<b>On budget</b>	<i>External financing and its intended use reported in the budget documentation.</i>	Coverage in the budget hampered by institutional fragmentation (four different entities in MINECOFIN), multiple reporting requirements, timeliness of reporting by donors, lack of information on TA and direct payment, limited information at district level. Progress has been made to present the development budget following the same programmatic structure as the budget, and to revise the format and classification of the budget to enhance budget integration.	On budget, except when programme finalised after adoption of budget law. It is then integrated in revised budget law.	Not on budget but should be in future
<b>On parliament</b>	<i>External financing included in the revenue and appropriations approved by parliament.</i>	Information provided to Parliament. Parliament approves loans.	Discussed by Parliament along with internal resources	Information will be provided to Parliament when on budget.
<b>On treasury</b>	<i>External financing disbursed into the main revenue funds of government and managed through government's systems.</i>	Not on treasury. Funds on separate accounts, managed through different procedures. Requirement in 2006 Organic Budget Law that all project accounts be part of the Single Treasury Account	On treasury: funds disbursed along with internal resources	Not on treasury (in special account managed by MINEDUC), but execution procedures identical to those for national budget

Dimensions of aid on budget		Projects	SBS	Capacity Building pooled fund
<b>On accounts</b>	<i>External financing recorded and accounted for in government's accounting system, in line with government's classification system.</i>	Coverage of projects in accounts patchy. The new Chart of Accounts provides for recording expenditures on all projects currently included in the development budget, and classifying expenditures per type and source of funding. Should improve over the years since first comprehensive Government accounts produced in 2006 only.	Covered in public accounts along with internal resources	n/a
<b>On audit</b>	<i>External financing audited by government's auditing system.</i>	Specific audits by private companies. The Office of the Auditor General (OAG) also carries out some audits of projects	Audited by OAG along with internal resources. Specific audit of SBS account (education budget) requested for the FTI CF funds by WB	n/a
<b>On report</b>	<i>External financing included in ex post reports by government.</i>	Included at MINECOFIN level (in reports on external aid), but not included in reports by MINEDUC on budget execution (to the JRES or to MINECOFIN)	Covered in MINEDUC budget execution reports and analysis. Covered in reports on external aid at MINECOFIN level.	n/a

Source: Chiche 2007 and author

## Annex E – Evolution of Service Delivery Inputs, Outputs and Outcomes over Time

	2000/01	2001/02	2002/03	2003/04	2005	2006	2007
<b>PRIMARY EDUCATION</b>							
<b>STUDENTS</b>							
Gross Enrolment Rate	99.9%	103.7%	128.4%	130.8%	137.3%	145.3%	151.9%
GER Boys	101.9%	105.8%	129.0%	130.6%	136.7%	143.4%	151.3%
GER Girls	98.2%	102.3%	127.8%	131.0%	137.8%	147.2%	152.5%
Net Enrolment Rate	73.3%	74.5%	91.2%	93.0%	93.5%	95.0%	95.8%
Completion Rate	24.2%	29.6%	38.1%	44.9%	46.7%	51.7%	52.0%
Transition Rate	37.0%	43.0%	45.0%	60.8%	58.3%	59%	
Repetition Rate	31.8%	17.2%	20.6%	18.8%	15.8%	18.1%	
Drop-out Rate	14.2%	16.6%	15.2%	14.0%	14.6%	14.3%	
<b>TEACHERS</b>							
Head and teachers	28,698	26,024	27,319	28,254	29,033	30,637	31,037
Teacher Student Ratio	51	58.9	64.5	66.9	69.0	70.9	74.0
<b>Schools</b>							
Schools	2,142	2,172	2,203	2,262	2,295	2,323	2,370
Classroom	27,339	27,735	28,806	29,385	29,748	30,434	30,737
<b>SECONDARY EDUCATION</b>							
<b>STUDENTS</b>							
Gross Enrolment Rate		11.2%	13.4%	15.4%	16.6%	18.4%	20.5%
Net Enrolment Rate		6.5%	10.2%	10.6%	9.0%	10.1%	13.1%
Repetition	14.0%	9.6%	9.2%	9.8%	8.7%	7.7%	
<b>TEACHERS</b>							
Total public+private	5,453	6,329	7,058	7,750	7,610	7,818	12,103
Qualified Teacher student Ratio	52.1	47.8	49	51.5	55.5	58.7	41.3
<b>Schools/ Classrooms</b>							
Total public+private	376	393	405	504	553	579	643
<b>LITERACY</b>							
Literacy level (%)	71	n/a	n/a	n/a	n/a	74	n/a
Literacy level (% of 15 - 24 year old)	74	n/a	n/a	n/a	n/a	77	n/a

Source: MINEDUC, 2008 report to donors; EDPRS

## Annex F – Evolution of the Total Education Budget over Time

<i>RWF m</i>	2002	2003	2004	2005	2006	2007 budget	2008 budget
Total recurrent budget education sector	17,405	21,754	23,302	44,995	55,819	71,079	82,557
<i>central level</i>	16,281	20,316	21,827	25,420	33,186	37,517	38,119
<i>decentralised level</i>	1,124	1,437	1,476	19,575	22,632	33,562	44,438
Total development budget education sector	n/a	7,796	9,521	8,273	10,002	19,738	18,648
<i>internally financed</i>	n/a	574	928	2,991	3,508	12,957	18,648
<i>externally financed</i>	n/a	7,221	8,594	5,281	6,495	6,781	0
<b>Total education budget</b>	<b>n/a</b>	<b>29,551</b>	<b>32,824</b>	<b>53,268</b>	<b>65,821</b>	<b>90,817</b>	<b>101,205</b>

Recurrent education budget as a % of total recurrent expenditure*	n/a	9.7%	11.0%	18.6%	19.8%	20.7%	20.0%
Total education budget as a % of total budget**	n/a	12%	10%	14%	17%	17%	15%
Total education budget as a % of GDP***	n/a	3.3%	3.1%	4.0%	4.2%	5.0%	4.4%
% of the education budget spent at decentralised levels	6%	7%	6%	44%	41%	47%	54%
Proportion of Development budget internally-financed	n/a	7%	10%	36%	35%	66%	100%

Source : MINECOFIN finance law and budget execution reports

Notes: development budget is not actual but budget (lack of reporting on development budget execution); for the recurrent budget, data are actual (disbursements recorded in SMARTGOV), except for 2007 and 2008

\*based on budget figures for 2003 and 2007, 2008, on actual figures for the rest; \*\* based on budget figures; \*\*\* nominal - source IMF

Table F.1 Evolution of the Capitation Grant over the years

	2004	2005	2006	2007	2008	2009–11
Basis of calculation – Primary	RWF 300 per pupil	RWF 1,000 per pupil	RWF 2,500 per pupil	RWF 5,300 per pupil	RWF 3,500 per pupil for school functioning (*); RWF 12,500 per teacher ; RWF 32,617+12,500 per contractual teacher; average of RWF 7,114 /pupil	RWF 3,500 per pupil for school functioning (*); RWF 12,500 per teacher; RWF 32,617+12,500 per contractual teacher
Basis of calculation – <i>Tronc commun</i>			Boarding pupils: 21,000 RWF; Non boarding pupils: 11,000 RWF			
Total amount of capitation grant (RWFm)	714.6	556.1	5,841.7 (of which 860.8 for <i>tronc commun</i> )	10,573.0 (of which 2,373.0 for <i>tronc commun</i> )	18,134.6 (of which 2,640.6 for <i>tronc commun</i> )	
As % of recurrent education budget	3.1%	1.2%	10.5%	14.9%	22.0%	
As % of total recurrent budget	0.3%	0.2%	2.1%	3.1%	4.4%	

(\* ) of which 50% should be used for teaching material, 35% for school rehabilitation and maintenance, and 15% for teacher training.

Source: Mokoro & ODI 2009

Table F.2 Share of SBS and the FTI in education sector budget

<i>Million USD</i>	2005	2006	2007 budget	2008 budget
Total recurrent budget education sector	98	107	122	150
Total development budget education sector	18	19	34	34
<i>internally financed</i>	7	7	22	34
<i>externally financed</i>	12	12	12	-
<b>Total education budget</b>	<b>117</b>	<b>127</b>	<b>155</b>	<b>184</b>
Total domestically financed education budget	105	114	144	184
<b>Total external support to education</b>	<b>28</b>	<b>41</b>	<b>53</b>	<b>98</b>
<i>of which SBS</i>	-	13	32	89
<i>of which FTI CF</i>	-	-	13	57
<b>Exchange rate (USD 1 =)</b>	<b>457</b>	<b>520</b>	<b>585</b>	<b>550</b>
SBS as a percentage of total education budget	0%	11%	21%	48%
FTI CF as a percentage of total education budget	0%	0%	8%	31%

Source: author based on data in Mokoro & ODI 2009

## Annex G – Comparison Between ESSP 2006–2010 and LTSFF 2006–2015 Targets for 2010

Indicator	2006 base line	2010 ESSP	2010 LTSFF	Difference	2015 LTSFF
<b>Primary</b>					
Enrolment	941,738	2,076,706	2,079,126	2,420	1,868,749
pupil teacher ratio (incl. head teachers)	59.2	52	53	1	42
Number of teachers	32,785	39,949	39,247	-702	44,435
Number of classes	31,285	36,630	36,770	140	39,636
Gross enrolment rate	140	137	137		
Primary completion rate (UNESCO method)	74	132	133	1	112
Average repetition rate	15	9	8	-1	3
Average drop-out rate	12	5	5		2
<b>Lower Secondary (<i>Tronc Commun</i>)</b>					
Enrolment	170,028	278,107	287,971	9,864	525,499
Number of teachers	5,637	9,063	8,504	-559	14,999
Number of classes	2,266	4,395	4,428	33	8,972
Gross enrolment rate	26	36	42	6	69
Completion rate	21	30	33	3	64
<b>Upper secondary</b>					
Enrolment	83,977	96,602	106,675	10,073	165,282
Number of classes	975	1,244	1,492	248	82
Gross enrolment rate	13	15	16	1	24
<b>Financing gap (bn RWF)</b>					
	2007	2008	2009	2010	total
ESSP 2006–2010	18.5	21.3	25.3	28.5	93.6
LTSFF 2006–2015	14.5	38.7	40.6	43.2	137

## Annex H – Comparison Between Expected Donor Support in 2006 and Actual Donor Support

Million USD	2005	2006	2007	2008	2009	2010			
<b>2006 appraisal estimate</b>									
Project	27.8	27.5	19.6	8.7	1.3	1.1			
Projected SBS	0	6.7	12.5	13.1	11.7	10.3			
Projected direct support to education	27.8	34.2	32.1	21.8	13	11.4			
GBS	140.7	157.8	165.7	153.9	169.4	169.4			
<b>Actual financing and updated plans for 2009–2012**</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009 * equivalent</b>	<b>2009 mini budget</b>	<b>2009/1 0</b>	<b>2010/1 1</b>	<b>2011/12</b>
Project	27.9	27.7	20.2	8.9	36.3	27.7	26.8	22.8	15
Actual SBS (incl. GBS education tranche)	0	13.3	32.4	89.2	48.9	8.4	65	6.5	0
Capacity building fund	0	0	0	0	3.3	2.6	2.3	0.4	0.4
Actual direct support to education	27.9	41	52.6	98.1	88.5	38.7	94.1	29.7	15.4
Actual GBS (grants, loans, HIPC)***	211	132.8	237.9	261.9		28.3	130.8	304.1	219.5
<b>Difference between actual and estimate (positive : actual superior to estimates)</b>									
Project	0.1	0.2	0.6	0.2					
SBS	0	6.6	19.9	76.1					
Total direct support to education	0.1	6.8	20.5	76.3					
GBS	70.3	-25	72.2	108					

\* in order to allow comparison, this column estimates the amount for 2009 based on 2009 mini budget and 2009/10

\*\*Source: Mokoro & ODI 2009

2009–2012 Planned SBS disbursements drawn from 2009–2012 draft Finance Law

\*\*\* source: finance laws

Note: Not all projects indicated above appear in the National Finance Law

## Annex I – Budget, FTI distribution and LTSFF allocations (2007)

	2006 budget	2007 budget	With FTI proposal	LTSFF	Pct LTSFF
<b>Recurrent Budget</b>					
Pre-primary	185	89	243	234	104%
Primary	23,887	26,656	30,943	36,065	86%
Tronc Commun	6,460	9,834	10,378	8,952	116%
Upper Secondary	2,876	4,140	4,225	4,400	96%
Teacher education	357	478	1,087	817	133%
Technical education	480	786	918	1,034	89%
Vocational education	378	865	1,005	565	178%
Higher education	16,016	19,476	19,476	20,377	96%
Adult literacy	475	416	516	516	100%
Institutional support	2,300	3,245	3,245	3,322	98%
<b>Total</b>	<b>53,414</b>	<b>65,984</b>	<b>72,035</b>	<b>76,280</b>	<b>94%</b>
<b>Development Budget</b>					
Pre-primary		-	-	-	-
Primary		2,195	6,264	7,987	78%
Tronc Commun		584	2,430	4,609	53%
Upper Secondary		515	1,047	1,333	79%
Teacher education		150	1,500	1,500	100%
Technical education		319	520	520	100%
Vocational education		-	125	125	100%
Higher education construction		2,724	2,724	1,156	236%
Higher educ. ex pat salaries		2,420	2,420	1,628	149%
Adult literacy		-	-	-	-
Institutional support		-	-	-	-
Other projects and TA		3,052	3,052	2,850	107%
<b>Total</b>		<b>11,959</b>	<b>20,082</b>	<b>21,708</b>	<b>93%</b>
<b>Total Budget</b>		<b>77,943</b>	<b>92,118</b>	<b>97,988</b>	<b>94%</b>

Source OPM & REPIM 2007p34

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