



Institute of Policy Analysis  
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## School Funding and Equity in Rwanda: Policy Brief

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## Summary

This policy brief assesses the impact of parental contributions on 9YBE funding. It does this by assessing schools in two contrasting Rwandan Districts, one very poor and one better off.

The key finding is that in the wealthier area parental contributions were very significant: they more than doubled schools non-salary budgets. In contrast parental contributions had only a marginal impact on school budgets in the poorer District. As a result schools with more needy, poorer pupils have lower levels of overall funding than schools in wealthier areas with where pupils are, on average, less needy. These findings raise questions about whether the Rwandan schools system is helping achieve greater equality of opportunity.

The key policy recommendation is for MINEDUC to develop a *targeted state funding system*, with more public funding being allocated to schools which have the highest levels of need.

## Introduction and background

### Challenges for primary education in Rwanda

Rwandan primary schools have expanded access impressively, but challenges remain:

- Spending on education in Rwanda remains low: in 2010 Rwanda spent less than many others countries such as Tanzania, Ethiopia, Senegal and Gambia. Pressures on public funding will increase in the future, as a result of the expansion of lower secondary schooling, with 9YBE, and the introduction of 12YBE.
- Recent USAID and DfID research on literacy and numeracy in primary school in Rwanda is worrying see e.g. De Stefano and Rafaingita (2011); Independent Commission for Aid Impact (2012);
- Inequalities remain: for example secondary school attendance rates were over four times higher in for the wealthiest than the poorest in 2010/11 (EICV 2010/11).

### Existing government funding for primary schools in Rwanda

There are two main sources of government funding for Rwandan primary schools. First the Capitation Grant, which is paid by MINECOFIN to head teachers based on the number of pupils. The second covers teachers' salaries. There is no significant element of government funding that is targeted at particular schools based on pupils' needs.

This means that the government funding system is 'flat': all schools in all areas receive funding on a straightforward per-pupil basis.

## Private spending on schools, including parental contributions

In order to develop a full account of schools finances, it is necessary to also include private funding, including from parents and guardians.

Parents paying schools for education remains prevalent in the developing world: a 2005 survey of 79 countries found 97% retains some form of fees (Katten 2006). Parental contributions continue in Rwanda; indeed government policy does not discourage such *voluntary* payments (Transparency International Rwanda 2012).

However, **there is little understanding of either the significance of parental contributions or their implications for equality of opportunity.**

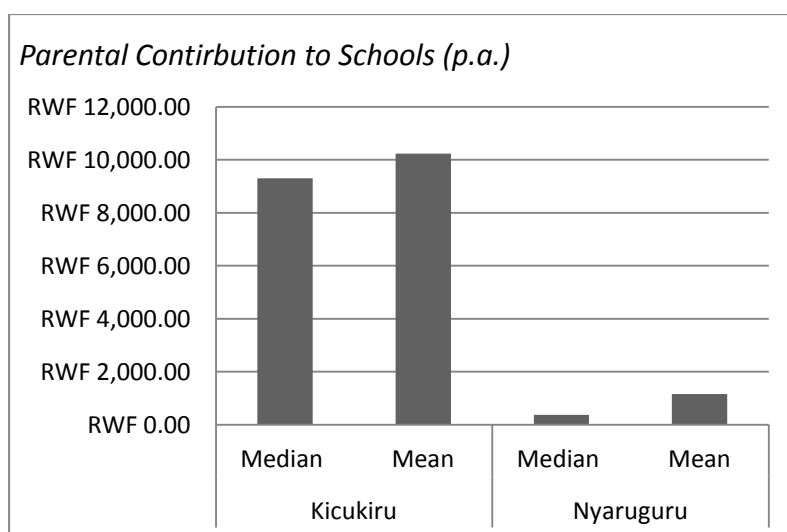
## Methodology

At the heart of the project was empirical research which compared the experience of two contrasting Rwandan Districts, one a comparatively better off area and one poorer area. Within each District we used random sampling to select thirty schools.

Interviews were then conducted with District officials, local NGOs and – in each school - the head teacher, one classroom teacher and a parental representative. Lastly, in each school ‘school profiles’ were completed: these assessed the school learning environment, including whether it had electricity and teachers’ and head teachers’ English proficiency.

## Key findings

- *There were large differences in the value of parental contributions in the two districts. In the wealthier District the average contribution was approximately 10 times that in the poorer area.*



- *There was good evidence of lower contributions being expected of poorer parents, but this was not uniform practice. Many NGOs also target their support on the most*

deprived within an area, but there is significantly greater NGO activity in the wealthier areas.

- There is conflicting evidence on the implications of parents not making financial contributions to schools. When we asked parents and NGOs both said that there were times when pupils were refused entry to school when financial contributions were not made. In contrast fewer head teachers said that this was the case.

#### *Implications for School Attendance of Parents not Making Contributions*

	Head teachers		Parents		NGOs	
	Wealthier	Poorer	Wealthier	Poorer	Wealthier	Poorer
No	24	9	3	7	5	5
Yes	0	7	27	13	6	0

- Parental contributions made a significant difference to the overall school budgets in the richer areas, doubling the budget over which head teachers have control. In contrast the low level of parental contributions have little impact on the overall school budgets in the poorer area.
- This additional revenue for schools in Kicukiro is mainly allocated towards workforce costs and in particular higher teachers' salaries.

The key finding was that overall – when taking into account government *and* parental funding – schools in the wealthier area are better funded than schools in the poorer area. This is despite pupils in the poorer areas, on average, having greater need.

## Policy recommendations

Because there was some evidence of pupils being excluded when parents do not pay contributions, **MINEDUC and MINELOC should further promote to parents and schools that free basic education is a legal *right* for all pupils and the illegal exclusion of pupils should be more strongly policed.** Parents could be given access to a 'whistle blowing' mechanism, at the District level, through which they could highlight where schools are breaking the law.

MINEDUC should develop a medium term strategy for introducing a targeted element into government funding. **One option would be to target funding by introducing a simple formula into the Capitation Grant, based on poverty measures. A relatively simple version of this would be to allocate an additional payment to schools in areas which have a higher proportion of people in the bottom two Ubudehe poverty categories.**

Initially the value of this additional payment would be relatively low, but it could be increased over time.

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