



INTERVENTION STUDY

Supporting national education reform in Sub-Saharan Africa

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Foreword

For Africa, education is the key to long-term development, poverty reduction and nation building. This is especially true in my own country, Rwanda, where we see our human resources as our most important asset, but where sadly our education system was devastated by the 1994 genocide. Reforming and strengthening our education system has therefore been a very high priority and we have devoted considerable effort and a large part of our domestic budget to achieving this.

As our own resources are limited, support from our partners for our efforts to improve our education system and strengthen our capacity to deliver good quality education is very welcome. But it is not just the quantity of support which matters, but also its quality and appropriateness. We are all conscious that the millions of aid dollars which have been spent on education over the last few decades have not always resulted in sustainable improvements nor strengthened management capacity. The development of new approaches and the serious attempts made to use aid funds more efficiently and effectively have therefore had our full support.

The Rwandan Education Sector Support Programme (RESSP), based in the Ministry of Education, Science, Technology and Scientific Research, funded by the Department for International Development (DFID) and managed by CfBT, was one such innovative programme. Although it was wide-ranging and included a number of projects, its principal task was to provide strategic advice to the Ministry on developing a sector-wide approach to planning, managing and financing education. The outcome has been that we have developed an education policy, strategic plan, financing plan and monitoring and review systems which our aid partners have expressed confidence in and, most significantly, have backed through an expansion of funding to education which will now benefit all Rwanda's children.

As highlighted in the study, the Government of Rwanda made a decision to reopen the primary schools two months after the new government was established in 1994. This resulted in tremendous challenges but the net impact twelve years on, coupled with the education reforms supported by DFID and managed by CfBT, has been major as

some statistics can illustrate: in 1994 the enrolment at primary level was 940 000 but now it is close to 2 million, and the numbers enrolled in secondary and higher education also saw tremendous growth – 50 000 to close to 250 000 and 3600 to 25 000 respectively.

The impact that would have resulted both nationally in Rwanda and regionally if this had not been the case would have been colossal. If the above had not happened then there would have been street children everywhere in Rwanda. The mathematics show that more than 1 million children not in school would have resulted in around 30 000 children out of school in every District of Rwanda.

The positive impact that has instead been felt has significantly contributed to the peace and security experienced in Rwanda and the cleanliness of the cities and rural areas. I would like to thank DFID and the UK Government for their support to education for more than ten years of rebuilding and strengthening the sector in Rwanda, and for the contribution this has made to sustainable peace.

I have long felt that there is an important story to tell about the reform of the education sector in Rwanda and the impact of the sector-wide approach since 2001. I am delighted that CfBT has now done part of this job, by taking some key aspects of what was achieved in Rwanda and looking at lessons learned for education sector reform more broadly in Africa. If this study now enables the work we undertook together in Rwanda to influence positively the strengthening of education systems elsewhere, it will be a very valuable contribution to the development of education in Africa.



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Abbreviations and acronyms

BoPS	Balance of Payments Support	MINALOC	Ministry of Local Government and Social Affairs
CBO	Community-Based Organisation	MINECOFIN	Ministry of Finance and Economic Planning
CF	Catalytic Fund	MINEDUC	Ministry of Education, Science, Technology and Scientific Research
CPR	Conseil Protestant du Rwanda (Protestant education umbrella group for education)	MoE	Ministry of Education
DBS	Direct Budget Support	MoF	Ministry of Finance
DEF	District Education Fund	MTEF	Medium-Term Expenditure Framework
DFID	Department for International Development	NCHE	National Council for Higher Education
EFA	Education for All	NGO	Non-Government Organisation
EFA-FTI	Education for All Fast Track Initiative	NSP	Non-State Provider
EPDF	Education Program Development Fund	PPP	Public-Private Partnership
ESP	Education Sector Policy	PuHEI	Public Higher Education Institution
ESSP	Education Sector Strategic Plan	PrHEI	Private Higher Education Institution
FARG	Fonds d'Appui aux Rescapés du Génocide (Genocide Survivors' Fund)	PRSP	Poverty Reduction Strategy Paper
FBO	Faith-Based Organisation	RESSP	Rwanda Education Sector Support Programme
FRw	Rwandan Franc	SBS	Sector Budget Support
GBS	General Budget Support	SFAR	Student Financing Agency of Rwanda
GoR	Government of Rwanda	SNEC	Sécretariat Nationale de l'Enseignement Catholique (Catholic umbrella group for education)
HEI	Higher Education Institution	SWAp	Sector-Wide Approach
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome	TA	Technical Assistance
HR	Human Resources	UK	United Kingdom
IFC	International Finance Corporation	UNESCO	United Nations Educational, Scientific and Cultural Organisation
IMF	International Monetary Fund	UNICEF	United Nations Children's Fund
JESS	Joint Education Sector Support	UPE	Universal Primary Education
JRES	Joint Review of the Education Sector		
LIC	Low-Income Country		
LTF	Long-Term Financing Framework		
MDG	Millennium Development Goal		
MIFOTRA	Ministry of Public Service and Labour		
MIGEPROFE	Ministry of Gender and Women in Development		
MIJESPOC	Ministry of Youth, Sport and Culture		
			Exchange rates (early 2006):
			\$1 = FRw 580
			£1 = FRw 1000

Executive summary

Chapter 1: Aims and objectives

Over the last decade, CfBT Education Trust (formerly CfBT) has been supporting the reform of education systems in various countries across the world (developing countries, middle-income countries and the UK) from school or sub-sector level through to sector-wide level. This work has occurred as funding agencies move away from the provision of discrete projects towards the provision of support and advisory services directly to ministries of education (MoEs) on areas of national educational reform. One of the largest recent donor-funded support programmes of education sector reform has been the Rwandan Education Sector Support Programme (RESSP), funded by the United Kingdom's (UK's) Department for International Development (DFID) and managed by CfBT on behalf of DFID and the Rwandan Ministry of Education, Science, Technology and Scientific Research (MINEDUC).

In this study, CfBT Education Trust aims first to consolidate and analyse what has been achieved through the RESSP from June 2001 until June 2006 in relation to three key areas: (i) sector-wide policy development and strategic planning; (ii) education sector financing; and (iii) the role of the non-government sector and of public-private partnerships (PPPs). The intention is to then use this analysis and experience to see to what extent it is possible to identify recommendations for a more coherent, evidence-based approach to national education reform in resource-poor contexts.

Chapter 2: Education in Rwanda

Since 1994, the Government of Rwanda (GoR) has made considerable progress in rebuilding and reshaping its education system, yet despite these achievements, the quality of education is still low, and in the context of limited resources (financial, capacity, and personnel), maintaining these reforms and spearheading new ones remains the most significant challenge to ongoing sustainability. In 2000, largely influenced by DFID (the largest

bilateral donor in the education sector over the last five years), MINEDUC agreed to start more formally along the path of a sector-wide approach (SWAp). From mid-2001 until mid-2005 a revised education sector policy (ESP) and an education sector strategic plan (ESSP) were completed and a series of annual reviews initiated. The donor community very much supported this process with large quantities of aid which have constituted around 70% of the capital works budget (infrastructure, construction and technical assistance – TA) and over 30% of its recurrent budget in recent years.

Between 2001 and 2004 DFID has provided approximately £76 million in budget support and education sector support for the GoR. Of this, £13 million was for RESSP consisting of TA to MINEDUC to support the development of a SWAp to policy and planning, capacity building, improved quality, access and equity, and addressing HIV/AIDS through the education system; and financial aid for the procurement of textbooks. The broad purpose of the RESSP was to enable GoR to adopt a SWAp in developing and implementing an education policy and strategic plan designed to support sustainable poverty reduction. The intention was that through this programme education reform would be geared more closely to poverty reduction, linked to the Poverty Reduction Strategy Paper (PRSP), to GoR commitments to the Millennium Development Goals (MDGs) and to the development of a Medium-Term Expenditure Framework (MTEF) approach for budgetary planning.

Chapter 3: Policy and planning

Donors have recently been moving away from funding projects to supporting a SWAp with a focus on strengthening policy and planning, financing, partnership and capacity building. Six issues and challenges presented by this change are identified in chapter 3: (i) the need for a higher level of dialogue between MoEs and donors; (ii) the need to address issues of change management, especially ownership of

the change; (iii) the difficulty of getting key staff to look at the needs and priorities of the sector as a whole rather than advocating for the sub-sector they are working in; (iv) the remoteness of sector-wide policy and planning from teaching and learning; (v) the use of SWAp as a stepping stone to direct budget support (DBS), the attraction of which to donors sometimes means time is not taken to build the necessary capacity first; and (vi) the different sort of expertise now required of consultants working with ministries to make the SWAp a reality.

The experience of the RESSP in enabling Rwanda to develop a SWAp brought out a number of lessons to be learned in relation to these six challenges. These include: (i) the need to have a key member of staff of the ministry who champions the SWAp concept, without which there is the danger that only lip service will be paid to the change; (ii) the effort required to overcome preferential treatment for sub-sectors with the most influential advocates (in Rwanda this was higher education, which undermined commitments to increase funding for basic education); (iii) the value of public joint reviews of the education sector at which issues can be openly discussed; and (iv) the need to balance the effort put into strengthening sector-level policy and planning with effort put into strengthening school-level quality improvement planning so that the financial benefits of the SWAp are used efficiently to improve the learning experience of the children. The overall conclusion is that a SWAp will only achieve this if capacity has genuinely been built to make it work.

Chapter 4: Education sector financing

This chapter starts by asserting that there are seven main challenges related to the financing of education in Africa: (i) insufficient resources; (ii) a lack of predictability of aid flows; (iii) the need for a balanced sub-sectoral allocation of resources; (iv) the introduction of fee-free education; (v) weak public financial management systems; (vi) increasing steps toward greater decentralisation; and (vii) the pressure of absorptive capacity. The chapter considers the move towards general budget

support (GBS), outlining how it improves the efficiency and effectiveness of aid, strengthens ownership by placing the responsibility for planning and prioritising to the aid recipient governments and enables donors to distribute larger volumes of aid more quickly than under the project approach. After considering the advantages of budget support over project support, the chapter concludes that there are some concerns that GBS does not give those donors particularly interested in education enough power to influence policy at sector level and that sectoral budget support (SBS) or a portfolio of aid modalities may be more appropriate.

From the specific context of the main education finance interventions of the RESSP, the study draws these conclusions: (i) where public financial management reforms are slow, line ministries, however great their aspirations, can only go as fast as the speed at which the broader national reforms are taking place; (ii) support to public financial management reforms need to look at all aspects of the budget process from preparation through to execution, and then to monitoring and evaluation; (iii) with the onset of decentralisation and deconcentration, following the financial flows to the education sector becomes even more difficult; (iv) while the introduction of a capitation grant to replace school fees in primary schools has dramatically increased access to primary schools, including the return of many pupils who had formerly dropped out of the system or maybe never even started, it has also produced access shock and led to more overcrowded classrooms with fewer quality inputs per pupil; and (v) to successfully make progress in adopting a SWAp, all planners and policymakers in every sub-sector need to be involved from an early stage so that there is ownership of the proposed plans and strategies.

Chapter 5: The non-state sector

This chapter starts by stressing how countries in the region must experiment with policy innovations if the challenges of meeting the education MDGs are to be met. These policy options entail greater engagement in

partnership with the non-state sector. It considers the spectrum of actors involved under the catch-all term 'non-state providers' (NSPs) and the blurring of boundaries between the state and non-state in provision, ownership and financing of education. It looks at the three key components of any partnership – policy, governance and finance – and what the main issues are for partnership under each of these components. It then considers the challenges against the development of PPPs from the perspectives of the public sector, the lending agencies, and civil society and the private sector.

The chapter then focuses on the non-state sector in Rwanda by considering the four main groups of operators and their respective presence at the different sub-sector levels. Based on RESSP inputs in Rwanda, the main lesson learned is that although the NSPs are playing a very significant role, particularly in the provision of post-primary education, they still face considerable constraints. The principal one is that while all private schools receive no direct support from GoR for their buildings, staffing and running costs, the reality is that many of the schools are receiving a significant GoR subsidy from money paid to support genocide survivors, or to buy places in private schools. This means that any consideration of abolishing fees needs to consider the current levels of financial assistance provided to private schools since it fully or partially subsidises a significant number of lower secondary school places. In conclusion, the chapter outlines four possible options for greater partnership, stressing that Africa must consider greater engagement with the non-state sector if the challenges of meeting the education MDGs are to be met. This will depend strongly on country context though in difficult environments such as 'fragile states' where state capacity is often very weak, the NSPs are often the most important channel for the delivery and monitoring of services.

Chapter 6: Main findings

This chapter starts by looking at the evidence of the CfBT experience in Rwanda under the RESSP and then moves into identifying some issues or lessons that can possibly be applied

elsewhere. The extrapolated evidence and suggested lessons are gathered together under the themes of policy and planning, education finance and partnership with the non-state sector. Making sense of this multitude of challenges and providing possible options is difficult. The eighteen issues and challenges were summarised into these main constraint issues that faced the RESSP team, particularly at the outset and then through differing degrees throughout the project: (i) technical and managerial skills of public officials; (ii) administrative constraints due to the lack of adequate infrastructure and equipment; (iii) capacity constraints exacerbated by the process of decentralisation; (iv) inadequate and weak public financial management systems; (v) uncoordinated and unharmonised donor interventions; (vi) social and cultural factors; and (vii) deficiencies in institutions and policy processes.

Chapter 7: Conclusion and recommendations

Based on the lessons learned in Rwanda on the RESSP organised under the three themes, there are eight key policy, finance and partnership recommendations that have implications for national education reform in other environments. These are: (i) using the joint review process (or other equivalent meetings) to engage a broad range of stakeholders; (ii) ensuring that capacity building addresses needs at all levels from central government to decentralised government to schools; (iii) ensuring harmony of support across the different sub-sectors by pursuing a SWAp and enabling governments to provide particular technical and financial support for those areas that are traditionally undersupported; (iv) funding research to assess the impact of decentralised management and deconcentrated budgets on education reform and service delivery at the level of the classroom; (v) ensuring that aid intervention is fit for purpose by providing a flexible mix of capacity building for all administrative tiers with financial and technical support to actual implementation at the institutional level; (vi) using a mix of aid modalities and systems ranging from DBS to

discrete project support; (vii) considering a greater role for the NSPs, particularly for delivery of early childhood and post-basic education and training; and (viii) identifying public sector and donor champions to support building the partnership process from the start and to strengthen the capacity of the NSPs to support the expansion of education provision.

Chapter 1: Aims and objectives

“ *The priority needs identified by governments – whether ministries of education in recipient countries or donor agencies – have evolved during the four decades of CfBT’s existence.* ”

1.1 CfBT Education Trust and national education reform

Over the last ten years CfBT Education Trust (formerly CfBT) has been supporting the reform of education systems in developing countries, middle-income countries and the UK. Some of this has been at a sub-sector level, such as the reform of primary education in Kenya and of secondary education in Guyana, and some has been sector-wide, specifically in Cambodia and Rwanda (and, in 2006, Somaliland). This work has coincided with – and to a considerable extent is the result of – changes in the approach of the main funding agencies working in education in developing countries, such as the World Bank and the United Kingdom’s (UK’s) Department for International Development (DFID).

The priority needs identified by governments – whether ministries of education in recipient countries or donor agencies – have evolved during the four decades of CfBT’s existence. For the first fifteen or so years of CfBT’s history the main demand was for the provision of teachers to schools and colleges. The demand then moved more to provision of support services to teaching and learning, such as curriculum development and teacher training. During the last decade the demand has shifted more to the provision of advice on planning and financing of major national education reform programmes.

A typical donor-funded education sector support programme today will focus on putting into place systems and processes of policy development, strategic planning, financing, partnership (between ministries and development agencies, non-government organisations – NGOs, the private sector and decentralised authorities), and capacity building to support all of these. One of the largest recent donor-funded programmes of support for education sector reform has been the Rwandan Education Sector Support Programme (RESSP), funded by DFID and managed by CfBT on behalf of DFID and the Rwandan Ministry of Education, Science,

Technology and Scientific Research (MINEDUC). This ran from June 2001 until June 2006, during which CfBT provided strategic advice to the Government of Rwanda (GoR) on the development of the Rwandan education system.

In order to learn in a structured way from its own experience and to disseminate what it has learned more widely to those working in education sector reform, CfBT Education Trust’s International and Consultancy Group is now looking to consolidate and rationalise what it has achieved so far in Rwanda and elsewhere. In a context where development partners (donors and other aid agencies) are demanding evidence-based decision making, the present study is an opportunity to investigate the evidence and determine to what extent it is possible to develop a generic approach. Given CfBT Education Trust’s special interest in post-conflict environments, the research draws in particular on recent experience of supporting sector-wide reform in such contexts and identifies lessons learned which can be applied elsewhere in Africa. What follows is not the story of the RESSP (although that is almost certainly a story worth telling), but uses the RESSP and other experience in an attempt to illuminate some of the processes underlying reform in practice.

1.2 Aim of the study

During the decade that CfBT has been playing an influential role in supporting developing country governments in their national education reform processes, it has used its experience to adopt positions and approaches that have generally been seen as at least appropriate and at best at the forefront of attempts to find solutions to major education sector development problems in resource-poor countries, often, as in Cambodia and Rwanda, in situations where such countries are emerging from conflict. The challenges that CfBT staff and consultants have been confronting include education sector policy development and planning in relation to national poverty reduction strategies, how the

“ *the present study aims to consolidate and analyse what has been achieved by CfBT in Rwanda, through the RESSP, in relation to a number of key factors and to use this and experience from elsewhere to see to what extent it is possible to identify a coherent, evidence-based approach to national education reform in resource-poor contexts.* ”

sector should be financed, the relationship between state and non-state education provision, and harmonising national aspirations with donor orthodoxies.

Box 1.1: Specific aims of research

In the context of such challenges, the present study aims to consolidate and analyse what has been achieved by CfBT in Rwanda, through the RESSP, in relation to a number of key factors and to use this and experience from elsewhere to see to what extent it is possible to identify a coherent, evidence-based approach to national education reform in resource-poor contexts. The key intentions underlying the study have been:

- to examine how CfBT Education Trust's learning and that of others engaged in similar reform processes can be used in supporting education sector reform in developing countries;
- from the evidence gathered, to identify what advice should be provided to developing country governments and their development partners (donor agencies) in approaching future investment in the education sector.

have been welcomed by the donor community, and financial management is generally considered sound and not blighted by corruption (DFID, 2004). During the period of reconstruction, Rwanda has developed a reputation for being keen to help itself, for rapidly putting in place new institutions such as the Rwanda Revenue Authority and National Tender Board as well as new higher education institutions (HEIs), and for maintaining very low levels of corruption and crime. This has strengthened the donors in their resolve to support the country and made it easier to move towards putting in place a relatively new approach to such support, the so-called sector-wide approach (SWAp). Such an approach was already being implemented in neighbouring Uganda where it was considered to be effective.

Since colonial times (Rwanda was a Belgian colony until 1962) the Rwandan education system had relied heavily on the involvement of the churches. Following the genocide there was a broadening of involvement of non-state providers (NSPs): at the primary and secondary levels four faith-based organisations (FBOs), Catholic, Protestant, Adventist and Moslem, communities and parents associations, and to a small extent the private sector; and in the tertiary sub-sector the opening of new private universities and colleges.

Rwanda therefore has a number of factors that make it particularly interesting for a study of this nature. At the time of the RESSP:

- it was in a post-conflict situation;
- the education system was being rapidly re-established;
- there was considerable donor support;
- there was a general acceptance that new ideas could be tried;
- there was large scale involvement in education of non-state players.

1.4 Other relevant experience

CfBT Education Trust's experience elsewhere in situations which share some of the characteristics of the Rwandan context has necessarily influenced the nature and content of the study. The post-conflict situation in Cambodia – which during the 1990s was also

1.3 Using the Rwandan experience

Rwanda's genocide in 1994 devastated its education system – not only because of the physical destruction caused by the fighting and the numbers of teachers and students killed, but also because large numbers of teachers and students fled the country and others were imprisoned because of their roles in genocide-related crimes. Since then Rwanda has been rebuilding itself as a nation and re-establishing its education system, with enormous efforts on the part of the Rwandans themselves including many former refugees who have returned, and with considerable outside assistance. Initially that assistance focused on the humanitarian situation but since the late 1990s has been supporting the longer-term development of the country.

The vision and policies which have been adopted by the GoR over the last few years, concentrating on reconciliation between the communities, stability and economic growth,

re-establishing its education system post-genocide – was also one in which capacity to see through national education sector reform was very limited even when the will and vision were there. CfBT's experience of putting in place the education SWAp there in 1999–2001 influenced its approach to the RESSP in Rwanda, and the authors of the present study have taken account of the recent move there to sector budget support (SBS), which has also been an outcome of the RESSP. The post-conflict situation in Somaliland (North-West Somalia), where CfBT has been working since the late 1990s, has presented a further opportunity to compare the ways in which education systems can be re-established, and CfBT Education Trust is now implementing a programme there which is an early stage of the move towards a SWAp. The authors also have direct recent experience of similar issues in more stable environments such as Ghana, Guyana, India, Kenya and Malawi.

1.5 The context of education reform

Over the last three decades there has been considerable literature on the implementation of large-scale education reforms in developed and developing countries. A synthesis of some of the literature, part of a recent study undertaken for CfBT following an evaluation of the UK's national reform of literacy and numeracy strategies, concludes that there are three key factors on which the embedding and sustaining of such reforms are contingent (Earl et al., 2003):

- Government policy;
- school capacity;
- infrastructure.

Not surprisingly, these factors would be seen in the literature on managing change in any sector or organisation (high level policy commitment, capacity and motivation for change, a supporting infrastructure). Much of education itself is intended to produce behaviour change, but specifically in education reform we are talking about changing not just the behaviour of learners but also the behaviour of teachers, teacher educators, headteachers, curriculum developers and so on. Such behaviour change requires extensive time and intensive input and requires

developing a critical mass of change champions, and successful change also has to be bottom up as well as top down. However, there is a general perception that education reforms are more likely to fail than succeed. Detailed case studies of large-scale education reform projects in developing countries which have not achieved their objectives, such as Operation Blackboard in India (Dyer, 1993) and Trinidad and Tobago's Third Education Project (London, 1993), have helped identify the sort of mismatch between intention and capacity to implement which can lead to failure – often related to issues around ownership of the change.

Aid-funded projects and programmes are also intended to bring about significant sustainable change. Following the declarations of the 1990 and 2000 education forums in Jomtien and Dakar, donor support for education is mostly intended to enable partner countries to bring about a large-scale reform in education systems: greater access, greater equity, relevant curricula and materials, appropriate teaching and learning, leading to literate citizens contributing to economic and social development and sustainable reduction in poverty.

Current donor approaches emphasise policy, planning and monitoring of performance, but it could be argued that this is the tip of the iceberg. The real task is bringing about improved quality of teaching/learning and achieving a sustainable learning environment of acceptable quality (Adams, 2002). The change will only become embedded if it leads to getting the curriculum right and getting it used, getting acceptable learning materials into schools and getting teachers to use them, getting teachers and therefore teacher training to an acceptable level of quality, getting schools managed effectively, and so on – in other words if the changes at the level of policy and planning result in significant changes to the education system further down the line.

1.6 The context of aid and development

1.6.1 Poverty reduction strategies

During the last decade developing countries have been encouraged to

“ *The concept of local capacity, and the need to build or develop it, has become a key issue within development assistance.* ”

develop their own Poverty Reduction Strategy Papers (PRSPs) which, when approved by the donor community, led by the World Bank and International Monetary Fund (IMF), are then intended to guide donor support. Given the relationship between education and poverty reduction, progress in developing the education sector is generally a key part of such national poverty reduction strategies. Rwanda had started the process of developing its PRSP in 2000 and completed it in 2002 (GoR, 2002a).

A key element of the PRSP process has been the requirement that each PRSP is developed by the country itself in a participatory way, thus developing national (rather than donor agency) ownership. But however much governments may ‘own’ the PRSP process, their capacity to implement poverty reduction programmes may be inadequate (Brown et al., 2001, p. 39). The concept of local capacity, and the need to build or develop it, has become a key issue within development assistance. It has been suggested that the centrality of capacity development to the overall development process was such that it deserved to be treated not only as a means to achieving development outcomes but as a legitimate development goal in itself (UNDP et al., 2003, p. 13).

Current approaches to supporting development are characterised by:

- an emphasis on goals and targets, generally expressed as quantitative achievements, such as the Millennium Development Goals (MDGs);
- the promotion of SWAps;
- a move from delivering aid through projects and programmes to providing direct budget support (DBS).

All three reflect donor perspectives intended to make aid agency funding more efficient. They are also presented as moving the responsibility for planning and prioritising to the aid-receiving

governments and thereby strengthening ownership.

1.6.2 Millennium Development Goals

There are eight goals to be achieved by 2015, some with intermediate targets. Two relate specifically to education, but education can be seen as playing a role in the achievement of all of them. In box 1.2 below, the targets for the two education-specific MDGs have been added.

Box 1.2: 2015 Millennium Development Goals

- Goal 1:** Eradicate extreme poverty and hunger
- Goal 2:** Achieve universal primary education (UPE)
- Target:** Ensure that all boys and girls complete a full course of primary schooling
- Goal 3:** Promote gender equality and empower women
- Target:** Eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015
- Goal 4:** Reduce child mortality
- Goal 5:** Improve maternal health
- Goal 6:** Combat HIV/AIDS, malaria and other diseases
- Goal 7:** Ensure environmental sustainability
- Goal 8:** Develop a global partnership for development

The MDGs are seen as a means of encouraging policymakers and planners to have a sense of working towards something which has some global significance, and to set their own intermediate national targets. However, as well as these international goals to which almost all countries have signed up, most countries have their own national targets, and in resource-poor countries effective planning of intermediate targets, prioritising between demands – especially quantity/quality trade-offs – and identifying resources to achieve such goals can stretch limited capacity.

“*The SWAp has been seen as a reaction against the project approach, which is portrayed as distorting priorities and resource allocation, as being possibly divisive, and as tending to use donor-imposed disbursement and accounting procedures rather than using, and strengthening, the government’s own procedures.s.*”

1.6.3 Sector-wide approach

The defining characteristics of a SWAp have been stated as that ‘all significant funding for the sector supports a single sector policy and expenditure programme, under government leadership, adopting common approaches across the sector, and progressing towards relying on government procedures to disburse and account for all funds’ (Brown et al., 2001, p. 7). The emphasis on ‘government’ is significant. The SWAp has been seen as a reaction against the project approach, which is portrayed as distorting priorities and resource allocation, as being possibly divisive, and as tending to use donor-imposed disbursement and accounting procedures rather than using, and strengthening, the government’s own procedures. However, even donors that have strongly supported the move to SWAps have expressed some reservations, for example about demands placed on capacity and transaction costs, and SWAps were never seen as a panacea.

Donor support for SWAps focuses on facilitating policy development, strategic planning, financial and resource management and partnerships – key competences for moving on towards a stage where donors can be less directly involved. But SWAps in turn require a higher level of capacity for national education sector decision making – especially in respect of planning, prioritising and performance monitoring – than when financing was linked to donor-identified projects. They also require a capacity for high level policy dialogue with donors, who still present sometimes conflicting messages.

1.6.4 Direct budget support

The introduction of SWAps, as in Rwanda, has been accompanied by a move towards providing funding through DBS and away from projects or technical assistance (TA). The UK’s 2000 White Paper on international development, which encouraged ‘nationally owned

poverty reduction strategies’, committed the UK Government, where circumstances were right, to ‘moving towards providing financial support directly to recipient government budgets using their own systems’ (United Kingdom, 2000, p. 93). DFID’s Country Assistance Plan for Rwanda for 2003–2006 states that two thirds of DFID’s programme will be DBS (DFID, 2004, p. 17).

Given that, as noted at 1.5 above, there is a considerable literature on sustainable large-scale education reforms, including why they often fail, it is pertinent to reflect within this study on the extent to which donor agencies have absorbed the findings of the literature on reforms and integrated them into their approaches to education sector support. An underlying question is the extent to which the new aid disbursement mechanism of DBS, towards achieving which a programme such as the RESSP was developing local capacity, is the most appropriate means of attaining the intended sustainable reforms.

1.7 Research objectives

The intention of the present study has been to analyse, in relation to the RESSP and to other experience, the contribution of three specific key factors in successful management of aid-funded education reform, representing three areas in which CfBT Education Trust experience has been at the forefront of developments.

1.7.1 Sector-wide policy development and strategic planning

The research aimed to identify evidence that will provide answers to questions such as the following.

- Does the focus on sector-wide policy and strategic planning detract from the need to enable reform to take place in the schools?
- Given the often limited management capacity in such contexts, to what extent is it reasonable to expect strong leadership and commitment to

“ There are two main challenges in the area of education sector financing – first, accessing the necessary financial resources, and second, ensuring better use of the funding that is available. ”

reform at the sector level and also within the sub-sectors?

- Does the move towards DBS require a level of capacity which it is unreasonable to expect of MoE staff?
- Given limited resources, is it realistic to expect decisions to be taken in relation to the impact of the education sector as a whole, or will each sub-sector always fight its own corner? If (as is often the case) rational decision-making capacity is greater at the higher education and post-basic education and training levels, does this distort sector-wide decision making?

1.7.2 Education sector financing

To improve the effectiveness of all available funding, a number of mechanisms have been developed such as the Education For All Fast Track Initiative (EFA-FTI). There are two main challenges in the area of education sector financing – first, accessing the necessary financial resources, and second, ensuring better use of the funding that is available. Within this context the research aimed to:

- reflect on global trends in education financing through the EFA-FTI and official development assistance to the education sector;
- comment on the different aid modalities available for providing aid to the education sector, outlining recent approaches and their pros and cons;
- identify the key challenges in education sector financing;
- reflect on Rwanda’s post-conflict recovery and prioritisation of education from a financial perspective, outlining some of the main inputs of the RESSP;
- summarise the lessons learned from the RESSP;
- outline the key challenges in education sector financing in Rwanda and proposed solutions.

1.7.3 Role of the non-government sector and of public–private partnerships

The research aimed to consider non-government provision within the African context, using Rwanda as a case study and examining current non-state provision and possible contracting options in the three sub-sectors for both non-core and core education services. The research aimed to:

- review the key issues of policy, governance and finance as they impact on partnerships;
- consider the main challenges for greater use of public–private partnerships (PPPs);
- briefly outline some policy options for taking partnerships forward;
- reflect on some lessons learned from the role of NSPs in the secondary and higher education sub-sectors in Rwanda.

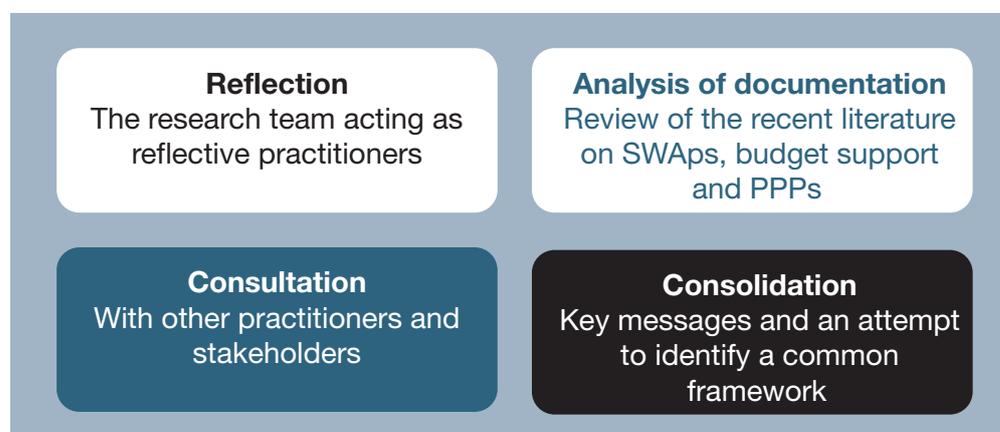
1.8 Methodology

The study considers the three specific factors in successful management of aid-funded education reform set out in 1.7 above and analyses the experience of the RESSP (and to a lesser extent other CfBT experience) in order to reach more generalised conclusions about future interventions. The authors of this report are themselves practitioners who contributed directly to the RESSP: one as coordinator, who launched the programme in 2001 and led the team of advisers until mid-2005; one as finance and budget adviser from 2002 to 2004, who had worked in another role in MINEDUC from 2000 to 2002 before joining the CfBT team and who provided short-term inputs after finishing as long-term adviser; one as a short-term PPP specialist providing inputs between 2002 and 2005. The research has had four elements:

- a. **reflection** – with the research team acting as reflective practitioners (two of the authors also participated, with another of the long-term advisers on the RESSP, in a structured retrospective review of the RESSP in December 2005);

- b. **analysis** of relevant documentation, in particular the recent literature on SWAps, budget support and other approaches as well as specific programme and project documentation, including the draft RESSP project completion report drawn up by DFID in June 2006 which reviewed the programme's achievements and weaknesses;
- c. **consultation** with other practitioners and stakeholders and comparing the Rwanda experience with that elsewhere (see 1.4 above);
- d. **consolidation** with a focus on drawing out the key messages for a future approach to education sector support and an attempt to identify a common framework.

Box 1.3 The four elements to the research



Chapter 2: Education in Rwanda

“ During the three-month period of the genocide from April to July 1994, the country experienced a total collapse of basic services including education. ”

2.1 Rwanda in 1994

Figure 2.1: Map of Rwanda



Rwanda experienced a period of civil war and unrest from 1990 culminating in the 1994 genocide. During the three-month period of the genocide from April to July 1994, the country experienced a total collapse of basic services including education. The former government looted the Central Bank while fleeing, mostly into the Democratic Republic of Congo (former Zaire), and left its vaults empty. As the transitional government of the Rwandan Patriotic Front, in part made up of Rwandan exiles who had been brought up in Uganda, took power and began to establish itself, one of its first tasks was to reprint the currency to prevent the former regime from using looted money from the Central Bank to buy weapons to continue the war.

The transitional government took its mandate to restore law, order and a sense of normality to the country very seriously, reopening primary schools within two months of the genocide.

‘The first instinct of the government and the Ministry was to depend on itself, to determine its priorities and to drive forward, fast, to effect them. It opened the schools. International

partners came forward to assist.’ (Obura, 2003, p. 62).

Despite this prioritisation of education, the impact of the genocide on the education system was: a 30% decrease in primary school enrolments when schools reopened (World Bank, 2004, p. 32); the destruction of many schools and classrooms; the looting of property, including the theft or destruction of teaching and learning materials; the death or migration of many teachers resulting in overcrowded classrooms and underqualified or unqualified teachers teaching; and a lack of trust among many communities about the role of education and linked to the security situation. To try to overcome the latter obstacle, government officials personally visited schools and districts to encourage participation as soon as schools reopened (Obura, 2003, p. 56).

UNICEF took charge of procuring Teacher Emergency Packages – a box of supplies considered as the ‘minimum package’ a school would need to restart and distributed 9000 of them to nearly all schools in the first few months of their being open, plus offering two days’ training for 11 700 teachers, thus reaching around 600 000 children. Each kit cost US\$170 and catered for 80 children, working out at a little more than \$2 per pupil (Obura, 2003, p. 70). Obura (2003, p. 59) further noted that ‘rapid distribution of supplies was a major factor in getting schools functional again’.

Many organisations gave teachers food rations in the first few months before the government was able to take over the task of paying salaries (Obura, 2003, p. 65). In 1995, the United Nations Children’s Fund (UNICEF) made a one-off contribution to teachers’ salaries in Rwanda totalling US\$800 000. As the banking system was not yet re-established across the entire country, Province education officials took millions of francs on buses to rural areas to ensure that teachers in remote areas were paid (Obura, 2003, p. 57). These two interventions had a profound impact on

“ *primary net enrolment rate could be calculated, which in 2005 was estimated at 93.5%, a significant achievement for one of the poorer African countries who only 11 years before had experienced a significant conflict.* ”

restarting Rwanda's education system after the 1994 genocide, but it still had a long way to go to return to its pre-genocide state.

2.2 Progress made in the education sector since 1994

Box 2.1: Increased access

By 1998, enrolment growth in primary schools caught up with the pre-genocide extrapolated growth trend, and by 2001 exceeded it. During 2003, the GoR abolished primary school fees and this led to significant additional enrolments including that of many children who had formerly dropped out or never attended school and were therefore overage. With the latest census having been undertaken in 2002, a more accurate primary net enrolment rate could be calculated, which in 2005 was estimated at 93.5% (MINEDUC, 2006a), a significant achievement for one of the poorer African countries who only 11 years before had experienced a significant conflict.

In the secondary sub-sector, a large proportion of schooling is provided by the private sector and FBOs. Data on the former was not available for the few years preceding 1994, but what can be seen since 1994 is that there has been significant growth of the private sector in providing secondary school places (see section 2.3 for more details). This has mostly happened in response to the limited capacity of the government to provide a sufficient number of places, and families wanting to see their children continue with education after having completed their primary schooling. In the last few years, growth of private school places has been more limited, with the GoR opening new government schools, particularly at lower secondary level, to try to meet the demand in moving towards providing a nine-year cycle of basic education. However, the secondary net enrolment rate still only stands between 10% and 15%.

While enrolment growth at both primary and secondary levels has been substantial, the quality of education in Rwanda remains a challenge. The genocide depleted the teacher stock, leaving unqualified community members teaching for several years. This problem has mostly been addressed by the upgrading of teachers and the replacement of unqualified teachers with newly qualified teachers coming out of teacher training colleges. Despite this, many schools still lack sufficient and appropriate teaching and learning materials, and while teachers may be more qualified than before, many of them are faced with teaching large classes of over 70 pupils, teaching two shifts of pupils per day in the lower primary cycle, and feeling insufficiently prepared by their training. In addition, repetition and dropout rates have remained high over the last decade, though they are beginning to decrease.

2.3 Non-state provision of education

Rwanda has a considerable non-state education sector consisting of *libre subsidié* or government-aided schools most of which are run by FBOs, and fully private schools. In 2005, 71% of all primary schools were *libre subsidié* and 3% fully private, with only 26% of all schools fully funded by the GoR. NSPs provided 71% of all school places for primary-aged children and employed 71% of the teaching force. Similar to the primary sub-sector, NSPs (private and *libre subsidié*) provided 72% of all secondary places, with a larger proportion at upper secondary than lower secondary, and employed 74% of the teaching force. However, what is significantly different between the primary and secondary sub-sectors is that the private unaided sector is much more significant at secondary level, owning 39% of all schools and providing 41% of all places compared to a meagre 3% of schools and 2% of places at primary level.

While fully private provision at secondary level is significant, there is a large variation across the different regions of the country in private provision with the bulk of it being provided in Kigali, the capital city. Excluding Kigali, educational provision is much higher in rural areas than in urban areas, understandably

“ While the early post-conflict years saw a significant rebuilding of the education system in Rwanda, the GoR and MINEDUC took a clear lead, consulting with both external and internal development partners

”

given that the majority of the population live in rural areas. However, what is interesting is that this trend includes private schools, showing that the private sector has not generally been looking at setting up elite schools in towns, but rather has been focusing a large proportion of its provision in rural communities where access may be very low.

While private unaided schools theoretically receive no funding from the GoR, the reality in 2004 was that approximately 80% of all of the Genocide Survivors' Fund (FARG) money supporting lower secondary education was paid for pupils in private schools and nearly 100% of the District Education Fund (DEF) allocations were supporting pupils in public and *libre subsidié* schools.

2.4 A sector-wide approach

While the early post-conflict years saw a significant rebuilding of the education system in Rwanda with the non-state sector playing a very important role, the GoR and MINEDUC took a clear lead, consulting with both external and internal development partners, and thus, while it would not be recognised as such, started out on trying to follow a SWAp from the start of its reforms and reconstruction. Sinclair has noted that:

‘It has been suggested that there is an 18 to 24 month post-crisis period, during which ideas for an improved education system can take hold before people and institutions become rigid in their approach.’ (Sinclair, 2002, p. 10)

There was clearly a deep commitment and a lot of innovation by GoR and all its partners, including many non-state actors, in the early reconstruction period directly after the genocide. As the government moved from the emergency phase towards a phase of more sustainable development, a draft education sector policy (ESP) was drawn up in 1998, outlining the main values and commitments that the government held in relation to the education sector. The focus of this document was ‘on how to bring a solution to the real exigencies of the prevailing situation, in order to achieve a significant change in the education system after the terrible events that

shattered the country in 1994’ (GoR, 2002b, p. 3).

Thanks largely to the influence of DFID, which has been the largest bilateral donor in the education sector over the last five years, MINEDUC agreed in 2000 to start more formally along the path of a SWAp. The 1994 genocide devastated human resources not only because of the numbers who died but also as many thousands fled or were imprisoned, and consequently every education sub-sector was affected and this reinforced the rationale for a SWAp. The process started with workshops in late 2000 and early 2001 for senior staff, who were persuaded of the advantages of taking this route, followed by the programme of technical support, RESSP, which has run from mid-2001 until mid-2006.

During this period a revised sector policy document and an education sector strategic plan (ESSP) have been completed and a series of annual reviews initiated. The introduction to the revised ESP clarifies the change in approach:

‘Today, we have entered a new phase which is more developmental and consequently, the education sector needs a new policy. Rwanda like many other countries now finds itself at a crossroads with commitments to achieve certain international development targets, notably Universal Primary Education (UPE) and Education for All (EFA). Furthermore, the education system must also fit in the guidelines defined in Vision 2020, the Poverty Reduction Strategy, the Decentralisation policy and the Information and Communications Technology policy. The new Education Sector Policy needs to reflect this new policy environment. This environment calls for all spheres of economic activity to be treated as Sectors, and thus there is a necessity to adopt a Sector Wide Approach (SWAp) to accommodate the contributions of all actors in the sphere of education.’ (GoR, 2002b, p. 3)

Donors supporting the sector are now moving towards providing SBS rather than the projects and programmes which have been

“ *The broad purpose of the RESSP was to enable GoR to adopt a sector-wide approach to the development and implementation of education policy and of an education sector plan, designed to support sustainable poverty reduction.* ”

the main modes of support to date, and donors and the GoR both see education as a key to poverty reduction and to reconciliation.

2.5 The Rwanda programme

Between 2001 and 2004 DFID has provided approximately £76 million in budget support and education sector support for the GoR. Of this, £63 million in years 2001–03 was DBS for GoR recurrent expenditure, one third of which was linked to progress in the education sector. Progress indicators were agreed annually between DFID, the Ministry of Finance and Economic Planning (MINECOFIN) and MINEDUC and were jointly monitored.

The remaining £13 million was for the RESSP, consisting of TA to MINEDUC to support the development of a SWAp to policy and planning, capacity building, improved quality, access and equity, and addressing HIV/AIDS through the education system; and financial aid for the procurement of textbooks.

Box 2.2: Purpose of the RESSP

The broad purpose of the RESSP was to enable GoR to adopt a sector-wide approach to the development and implementation of education policy and of an education sector plan, designed to support sustainable poverty reduction. The intention was that through this programme, education reform would be geared more closely to poverty reduction, linked to the PRSP, to GoR commitments to the MDGs and to the development of a medium-term expenditure framework (MTEF) approach for budgetary planning.

The RESSP covered four main areas, within which there were a number of distinct projects:

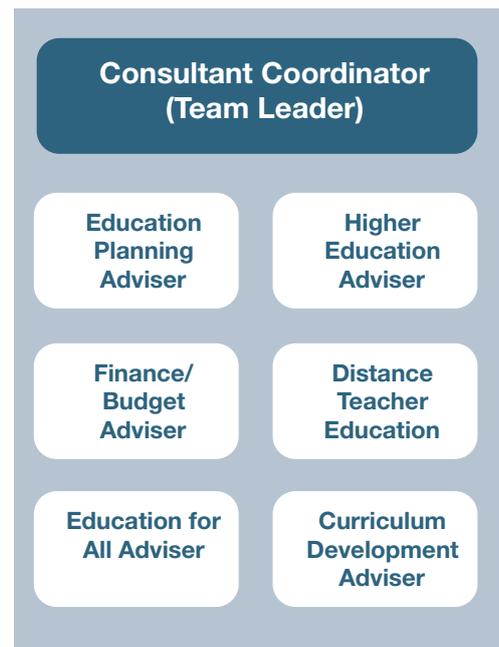
- support to MINEDUC capacity building, including a project to support the educational response to HIV/AIDS;
- support to sector planning and policy development;
- support to basic education quality, access and equity, including a project to support the Distance Teacher Training Programme

at the Kigali Institute of Education;

- gearing education better to market needs, consisting of two capacity building projects at the Kigali Institute of Science, Technology and Management to support information and communication technology technician training and development of rural technologies.

With MINEDUC approval, DFID awarded the contract to manage the inputs to the RESSP to CfBT, with a Dutch organisation, Stoas, as junior partner. The support was provided through a team of long-term advisers working within MINEDUC and the Kigali Institute of Education, short-term consultancy visits, training and study tours.

Box 2.3: CfBT long-term advisory team



The financial aid for the purchase of textbooks was separate from the TA provided by CfBT, and was instead provided directly to GoR after procurement had been undertaken by MINEDUC through the National Tender Board.

2.6 Donor involvement in education

Rwanda is a country that has received major donor support since the 1994 genocide. Between 2000 and 2002 it went through the

“ *As elsewhere, aid modalities in Rwanda are mixed, with some donors preferring traditional projects, some broader programmes of sectoral support and others direct support to the GoR budget, and in some cases a mixture of all three.* ”

process of developing its PRSP (see 1.6 above) and is currently working on a new plan known as the Economic Growth and Poverty Reduction Strategy. The donor community has very much supported this process with large quantities of aid, which have constituted around 70% of the capital works budget (infrastructure, construction and TA) and over 30% of its recurrent budget in recent years (World Bank, 2005, p, 3). As elsewhere, aid modalities in Rwanda are mixed, with some donors preferring traditional projects, some broader programmes of sectoral support and others direct support to the GoR budget, and in some cases a mixture of all three. This mix is true of the education sector, where the major bilateral donor in the sector, DFID, has provided funds directly for the GoR budget tied to progress in developing the education sector, has funded a sector-wide programme of support (the RESSP), and has funded a number of distinct projects.

Chapter 3: Policy and planning

“ *The project approach came increasingly to be seen as divisive, creating competition for resources between different projects and tending to ignore national sectoral goals. It was felt that sector goals could be better achieved through a comprehensive nationally defined policy, strategy and budget framework than through a collection of projects which might leave some priority areas underfunded.* ”

3.1 Support to the education sector: Changing focus

3.1.1 Disillusionment with projects

Until the mid-1990s, most external interventions within the education sector of developing countries focused on directly strengthening teaching and learning – supporting and improving teacher training, curriculum development, textbooks and other materials, assessment, inspection and so on. In countries with weak management capacity in their public administration, these interventions tended to leave untouched the capacity of education ministries to develop policy, undertake realistic longer-term planning and identify the resources needed to direct and sustain extensive and comprehensive improvements across the sector. This has impacted negatively on the sustainability of improvements that have been achieved in specific areas such as teacher training or curriculum development.

In countries relying in part on aid funding, the limitations of such traditional interventions have been aggravated by the fact that support to the sector has been carved up into projects by different donors. Such projects often compete for attention and resources in situations where the sector is short of both financial and human resources; they may sometimes overlap; and they may also leave significant parts of the sector without support. Sub-sectors or areas of quality improvement which have been favoured for one reason or another, or which have been relatively easy to support, have benefited disproportionately. Such project interventions have also been criticised for focusing on sometimes relatively marginal qualitative improvements, without having the impact on poverty reduction and socio-economic development for which aid funding is intended.

Box 3.1: Dissatisfaction with projects

The project approach came increasingly to be seen as divisive, creating competition for resources between different projects and tending to ignore national sectoral goals. It was felt that sector goals could be better achieved through a comprehensive nationally defined policy, strategy and budget framework than through a collection of projects which might leave some priority areas underfunded. Donor funding for specific sub-sectors unrelated to a specific overall national poverty reduction programme was seen as inefficient, and the growing dissatisfaction of donors with the impact of education sector outcomes on poverty reduction highlighted the need to address whole-sector policy issues (Ratcliffe and Macrae, 1999).

3.1.2 Sector-wide approaches

As a reaction to such criticisms, since the mid-1990s there has been a move by some donors towards encouraging ministries to adopt a SWAp (see section 1.6.3). While this could apply to any sector, in practice it has been most effective in the ‘soft’ or social sectors, especially health and education. This has been accompanied by a shift in the focus of some aid agencies towards using their funds to strengthen those parts of the ministry which are responsible for planning, finance, monitoring and institutional development. It should be emphasised that a SWAp is an approach or a process, not a state of affairs, and for most countries currently said to be undertaking an education SWAp it would probably be more accurate to speak of moving towards putting a SWAp into place. Also, because SWAPs depend very much on national context and priorities, it is not possible to speak of a single SWAp model. Nevertheless, an initial concentration on centralised cross-sector functions is a common characteristic.

“ . In order to achieve greater sector development, the MoE and other institutions require the appropriate capacity, a key part of which is human resources. ”

In terms of the areas of intervention, SWAPs can typically be seen as having four pillars or dimensions:

1. Policy and planning. It is essential to the development or reform of the education sector that there is a clear and realistic vision of what education should be achieving across the sector, and SWAP support typically seeks to put in place effective processes for policy development and strategic planning, from getting the information needed to make policy and planning decisions through to evaluating and reporting on progress against the plans. The range of areas covered by this could include: data collection, analysis and management for decision making in an education management information system; sector policy and strategic planning; development of sub-sector development plans, priorities and standards; development of cross-cutting policies, priorities and standards; operational (implementation) plans; monitoring frameworks; evaluation and review mechanisms; decentralisation of planning and monitoring responsibilities.

2. Finance and resources. As sector plans need to be affordable and levels and sources of financing identified, and as donors need to have confidence that plans they may be expected to support are realistic, SWAP support lays heavy emphasis on strengthening this. Areas covered could include: long-term financial planning; MTEFs; budgets; prioritising criteria for resource allocation; cost sharing policy and practice; financial management; expenditure monitoring and audit; identifying financing gaps, donor funding (eventually moving towards budget support rather than projects); decentralised budgets.

3. Partnership and coordination. The effectiveness of the partnerships between a MoE and other stakeholders in the education sector – not least the donors and other agencies supporting education development – has often been overlooked as a factor in successful sector reform. An effective MoE also needs to be able to

coordinate and monitor what stakeholders are doing. There are therefore several partnerships that SWAP support might seek to strengthen, including: between MoE and ‘users’; between MoE and service delivery; between MoE and regional or local authorities; between MoE and other ministries (including the ministry of finance – MoF); between MoE and development partners (donors and other aid agencies). It might also support ministry-led development partner coordination, coordination and management of programmes and projects, and the shift from donor-driven projects to ministry-driven support programmes aligned with the MoE strategic plan.

4. Capacity and human resource management. In order to achieve greater sector development, the MoE and other institutions require the appropriate capacity, a key part of which is human resources. SWAP support covers areas such as: clarification of responsibilities (policy, programmes, service delivery, quality assurance); capacity needs analyses and planning in order to achieve strategic plan objectives; ‘formal’ capacity (structures, channels of communication, resources) for the above management areas; human resource (HR) capacity (vision and leadership, staffing, skills) for the above management areas; capacity building programmes to address structural and HR capacity needs; longer-term HR planning and development; capacity building at decentralised levels; capacity for service delivery and quality assurance.

“SWApS require not just a high level of understanding of education issues but a higher level of capacity for national education sector decision making linked to poverty reduction than when financing was linked to donor-identified technical projects.”

3.2 Issues to address and challenges faced

3.2.1 Capacity required for a sector-wide approach

Box 3.2: SWApS and capacity

Whereas education projects have in the past focused on the 'technical' personnel – teachers, teacher trainers, curriculum developers and so on – donor support for SWApS focuses on policy developers, strategic planners, and financial and HR managers, in the expectation that developing competences at this level will facilitate moving the sector on towards a stage where ministries can make sound decisions about limited resources and donors can be less directly involved. This is in the context of national strategic planning around poverty reduction. SWApS therefore require not just a high level of understanding of education issues but a higher level of capacity for national education sector decision making linked to poverty reduction than when financing was linked to donor-identified technical projects. Given that partnership with donors and other agencies is a key element, SWApS also require a capacity for high level policy dialogue with development partners, who often present conflicting messages and have their own headquarters-driven agendas and deadlines unrelated to the national aspirations of the aid-receiving countries.

In other words, the move to a SWAp may involve a steep learning curve for those involved – which includes donor agency personnel as well as staff of education ministries: aid agencies acknowledged their own need to appoint staff with different skills, including in policy and negotiation (IWGE, 2001, p. 81), but appear to have paid less attention to a similar need on the part of their partners. The lack of experience of MoE staff of this sort of dialogue and the fact that the SWAp concept was still very new in 2000–01 also meant the likelihood of

misunderstandings and false starts was high. SWApS may require a higher level of goodwill by all sides than in the more traditional technical projects. A key implication is that the success of the SWAp depends to some extent on capacity that already exists before the SWAp process is started, and not only on the capacity that can be built up through the TA inputs.

3.2.2 Ownership of change

SWApS are an example of managed change. Within change management, including education reform, ownership of the change – usually requiring participation in decision making leading to a strong commitment to see the change happen – is seen as an essential ingredient. SWApS are considered to be a way of increasing local (rather than donor) ownership of the decision-making process, just as it had been a key element of the PRSP process that each PRSP was developed by the country itself in a participatory way, thus developing national ownership (see section 1.6 above). As strong leadership and political commitment have been seen as the basis for national ownership (UNDP et al., 2003, pp. 11–12), these either have to be there already in relation to making major change in the education system or they have to be built as part of the intervention.

There are indications that SWApS may not always result in the sort of ownership intended. In spite of commitments by some agencies to improve coordination and move to harmonisation, most still have different procedures and priorities, and host governments still have to please different agencies in different ways, downgrading their own priorities. Some agencies, in particular the development banks, still insist on their own procedures rather than building ministries' capacity to take control. Performance indicators or targets linked to SWApS are likely to be those seen as significant by donors rather than those the MoE might choose for its own accountability to government or parliament, and may reflect what is easiest

“ given that each country already has a certain mix of sub-sectors the question is the extent to which effort should be put into adjusting the balance of funding between the sub-sectors. ”

to assess rather than genuine local priorities.

A further issue relates to the environment within which the change is taking place. A relatively stable environment can facilitate the implementation of the change. But in developing countries in general there is often rapid change under way in the social, political and economic environment, and this is particularly true of Rwanda. One such change in many countries is civil service reform, resulting in personnel changes and uncertainty among the remaining staff, which can be expected to have a negative impact on the effective implementation of change within the education sector.

3.2.3 Focusing on the sector rather than sub-sectors

In a situation where directors responsible for particular sub-sectors of education (pre-primary, primary, secondary, technical/vocational, higher or others) are fighting for very limited resources, it may be difficult to get them to appreciate the need to look at the sector as a whole (Smith and Yisa, 2005). This has not been helped by a debate among economists and others, including within the donor community, over which sub-sector contributes most to poverty reduction and should receive greater attention. This has led to a sort of beauty contest between sub-sectors, which undermines the logic of the move to SWAps. Some donors – this included DFID and the World Bank in the late 1990s – have seen primary or ‘basic’ education as warranting the bulk of the effort and funding, while at least one other – Germany – has insisted on a disproportionate share going to vocational education and training. Such broad claims for favouring one sub-sector or another, and especially for significantly increasing financial support for that sub-sector without necessarily taking into account the overall impact on future long-term planning and resourcing of the education sector as a whole and the critical inter-linkages between the sub-sectors, have presented education ministries with

conflicting and confusing messages and have hindered rather than helped progress towards improving the effectiveness of education as a whole within a country’s national context.

The core of the debate around the relative merits of sub-sectors in reducing poverty relates essentially to basic versus post-basic education. There is ambiguity in these terms: in countries with long primary programmes – eight years or so – basic may be synonymous with primary, but where primary is shorter (for example, six years in Rwanda) basic is taken to refer to primary and lower secondary. There are strong arguments for expanding post-basic or post-primary education but in general the arguments presented for such expansion do not reflect the need to reduce poverty but reflect pressures on the education system itself – parental pressure following the expansion in the number of primary completers, the need to train more teachers, the need to meet the needs of the labour market, the need to meet the MDGs – rather than postulating an unequivocal link between the expansion of post-primary education and poverty reduction. Each country is different and there can be no single model, and given that each country already has a certain mix of sub-sectors the question is the extent to which effort should be put into adjusting the balance of funding between the sub-sectors. The difficulty is in expecting key decision makers within a MoE to take a dispassionate and evidence-based view.

3.2.4 Impact on teaching and learning

The emphasis on policy, planning and monitoring of performance may be seen as the top of the pyramid but can also be seen as just the tip of the iceberg in terms of bringing about ‘development’. The real task in education is bringing about improved quality of teaching and learning, creating an appropriate and effective learning environment. What this means for large-scale reform of the education system has been discussed in section 1.5 above. That section referred to the three

“ SWAps influence policy and infrastructure, but their influence on capacity is most likely to be at the central and possibly regional education management levels rather than in schools. A key issue is therefore whether the support for capacity building provided by SWAps is targeted at the right levels of the education system to bring about the required change in access to and quality of the learning environment. ”

key factors identified in the literature on large-scale change in education on which the embedding and sustaining of such reform is contingent (Earl et al., 2003):

- government policy;
- school capacity;
- infrastructure.

On the assumption that donors intend their funding to result in this sort of large-scale behaviour change in education, it is appropriate to ask to what extent the focus on SWAps tends to facilitate the delivery of such reforms. Looking at the three factors identified by Earl et al. (2003), government policy is the level where, according to the donors' own rhetoric, they see themselves as having the greatest impact, through policy dialogue and developing local ownership of the reform process at the most senior level. The partnership processes that underlie SWAps will contribute to this. In relation to school capacity, donor support for SWAps helps build the higher level capacity, but SWAps by their nature are more concerned with the central education management level than with directly building capacity at the level of the school. In relation to infrastructure, this requires having, or putting, the necessary support structures and systems in place that will enable the resources to bring about change. Donor support for SWAps would normally include strengthening the infrastructure, and the sort of senior level capacity building that is part of SWAps may directly facilitate getting what is needed into place. Thus, in relation to these three key education reform factors, SWAps influence policy and infrastructure, but their influence on capacity is most likely to be at the central and possibly regional education management levels rather than in schools. A key issue is therefore whether the support for capacity building provided by SWAps is targeted at the right levels of the education system to bring about the required change in access to and quality of the learning environment.

Box 3.3: Central versus local capacity

SWAps tend to focus power, funds and capacity building efforts on central government, but in order to improve the quality of education it is not only at the level of government that we should be looking to strengthen ownership. The real driver for quality improvement is likely to be in the school communities, especially the parents, and strengthening the ownership of decision making by parents and civil society will not be greatly affected by SWAps unless central level capacity building leads to informed and relevant interventions at school level. To bring about the sort of large-scale reform needed in the quality of teaching and learning there is a need to create a critical mass of change champions across both the public administration and the education system. As change needs to be bottom up as well as top down, this means facilitating participation and grassroots changes, and developing mechanisms for bringing policy and grassroots movements together. Making this happen requires targeted support. As donor-driven decision making moves further up the hierarchy and away from the classroom, other means need to be found that will impact positively on the quality of education in the classroom. Sector-wide planning has not replaced the need for school level planning, and the need for change champions at every level of the sector (Smith, 2005).

3.2.5 SWAps as a stepping stone to direct budget support

In general the introduction of SWAps has been accompanied by a move towards donors providing funding through DBS (see section 4.1.4) and away from projects and TA. The implications of this are that the recipient government's systems must be sufficiently robust for them to be used for donor funds and that the MoF, as well as sector ministries such as education, have the capacity to ensure that the funds

“ *While there is a lot that cannot be done without money, large-scale change is a slow process which requires a lot to be in place if it is to be successful: DBS alone would be unlikely to create the necessary catalysts for change.* ”

flow to where they are needed. In contexts of low capacity, such as Rwanda, this is a lot to expect. A rush to DBS – which is attractive to the recipient because they then have control over the funds, and to the donor because once implemented it reduces workload and transaction costs – may mean that the necessary capacity has not been built. It may also give the wrong impression that money is the answer to all development problems. While there is a lot that cannot be done without money, large-scale change is a slow process which requires a lot to be in place if it is to be successful: DBS alone would be unlikely to create the necessary catalysts for change.

Conditions for budget support may be tied (as they have been in Rwanda) to sector progress indicators, to broad sector outputs or to broader poverty reduction targets. Whatever they are linked to, DBS requires in MoEs an even higher level of dialogue with donors, relating to national policy and strategic issues, including an understanding of the poverty reduction processes to which improvements in the education sector can contribute. It also requires a different sort of capacity in donors – the ability to maintain a policy dialogue and monitor performance, but no longer the capacity to manage programmes or projects.

There is therefore a significant dilemma. Through the move to DBS, donors are requiring an ever greater capacity on the part of poorly resourced ministries to appreciate the complex relationships between education and poverty reduction, undertake long-term planning, prioritise between competing demands, put in place robust financial systems, and so on. But any move away from providing TA, that is advisers, consultants and trainers who can build capacity, to providing cash to central governments is potentially taking away from decision makers the support needed if capacity to undertake these high level tasks is to be built, and built rapidly.

3.2.6 Changes in expertise demanded of consultants

A SWAp is a process: a move towards on the one hand, a more coherent approach to the education sector by governments, and on the other, a more coherent approach to supporting the education sector by donors. This does not preclude the continuation of projects, especially if they facilitate the SWAp process, but the intention is that donors will no longer carve out discrete sub-sectors or programmes for themselves and a more coherent multi-donor education development support programme will emerge. One consequence is that managing agents such as CfBT Education Trust have seen a decline in demand for their traditional project management expertise and a greater demand for a more flexible type of resource management, including an increasing demand for short-term expertise.

With the move to SWAps the donors noted the need to have staff with different competences in their own agencies (IWGE 2001, p. 83), but there has also been a shift in the type of expertise required of the consultants. First, they must be able to relate education sector development to the development of broader (i.e. cross-sectoral) national poverty reduction strategies and to government expenditure planning. Second, their technical skills must be appropriate to working with senior MoE staff on issues of education policy development, strategic planning, sector financing and performance monitoring, and to developing capacity in such areas. Third, they must be comfortable supporting MoE colleagues in an ill-defined – and possibly politically charged – environment for which outputs have not been very clearly predetermined by donors. For CfBT Education Trust and similar organisations, this increases the need for specialised consultant management capacity. The success of a SWAp therefore depends not only on the host ministry but also on the capacity of the managing agent.

3.3 Specific context and interventions in Rwanda

3.3.1 Capacity for policy and planning

Education has been seen in Rwanda as a key to poverty reduction and to reconciliation, and the GoR has been going through a wide-ranging review and reconsideration of its education system and strategies. After the 1994 genocide, the education sector passed through an emergency period during which the main objective was to reshape and try to restart the education system, which had broken down and which was in fact seen as one of the main causes of the genocide. In 1998 the first sector policy (ESP) was adopted, focusing mainly on how to bring a solution to the pressing demands of the prevailing situation, in order to achieve a significant change in the education system after the events of 1994. A new orientation for education was defined in the 1998 policy and this influenced the development of a restructured Rwandan education system, which by the time of the start of the RESSP in June 2001 was being slowly but surely set up under the guidance of the Government of National Unity.

During 2000, the GoR finalised the first draft of Vision 2020, an overarching government policy document stating its vision for where the country would be by 2020 and outlining key priorities for investment and development. This was followed by the drafting in 2001–02 of the first PRSP – with the strong encouragement and support of the donor community – which gave an overview of the key priorities for each main sector to target poverty reduction. As this was being drafted and as a result of the budgeting practices occurring across all sectors and ministries, the GoR also introduced the MTEF in 2001 to try to align budgets more strategically with sector policies and priorities. However, this work was being undertaken largely by MINECOFIN in consultation with the donors, and although there was a process of consultation with other Rwandan

stakeholders, it was not the case that – for example – all the directors within MINEDUC were familiar with the PRSP or the MTEF. Raising awareness of these as key bases for education sector decision making became a task of the RESSP.

The 1998 ESP had its weaknesses and in the period following the publication of the policy there had been some significant staff changes, including the entry into MINEDUC of more ex-refugees who had been working elsewhere in Africa and brought with them the experience of the education systems in Uganda, Tanzania, Kenya, Burundi and elsewhere. By 2001, the policy document was no longer readily available or referred to, and much of the decision making within MINEDUC could be characterised as ad hoc or crisis management rather than leading to the implementation of a clear set of strategies for expanding access to and improving the quality of education. There was now a need to take into account the new government thinking, expressed in the Vision 2020 and PRSP documents, and it was anticipated that the RESSP would enable MINEDUC to develop a new overall policy document, develop more detailed policies for sub-sectors and cross-cutting issues (such as gender and HIV/AIDS), and move on to the development of strategic plans.

Box 3.4: Building capacity in policy and strategy development

With RESSP support, in 2002 MINEDUC undertook an education sector review as a basis for revising the ESP and shaping the move towards a SWAp. In 2002–03 the revised ESP was drafted. Its foreword states:

‘The present document constitutes the first step in this process. Once the present document is finalised and officially approved, steps will be taken, through the SWAp process, to translate policies into detailed strategies designed to achieve policy objectives. These strategies will be published in the

“ *the major challenge, which took much longer to address, was for all MINEDUC staff to see that the policy – and later the strategic plan – was what they were all working towards and to have this reflected in their day-to-day work.* ”

Sector Strategic Plan. The first draft of the Sector Strategic Plan is scheduled for mid 2003.’ (GoR, 2002b, p. 3)

Although the RESSP team faced considerable issues within MINEDUC around understanding of the difference between ‘policy’ and ‘strategy’ (and why they were needed at all), the ESP did provide an agreed basis for a way forward and eventually as the platform on which the sector strategic plan could be built. The initial process had been completed, but the major challenge, which took much longer to address, was for all MINEDUC staff to see that the policy – and later the strategic plan – was what they were all working towards and to have this reflected in their day-to-day work. While the task of moving from the policy to the strategic plan was significant in building understanding of key issues within (and to some extent beyond) MINEDUC, overcoming resistance to treating the plan as determining what each director and department should actually be focusing on was much more difficult to achieve and was by no means fully achieved even by the end of the RESSP. While it was possible to build the capacity of staff to work on policy and strategy development in the time available, building capacity to interpret and implement the strategic plan and to have this replace the day-to-day administrative routine requires a culture change which takes much longer to achieve.

3.3.2 Ownership and ‘donorship’¹

Following the 1994 genocide, the United Nations Educational, Scientific and Cultural Organisation (UNESCO) extended its Programme for Education for Emergencies and Reconstruction to Rwanda and this provided the main support to the reconstruction of the education sector during the immediate post-genocide period. UNESCO became the de facto coordinating body for other donors and NGOs that moved into the

education sector and in 2001 still maintained the ‘secretariat’ for what was known as the Education Thematic Group. The launch of the RESSP in 2001 then made DFID the largest donor in the sector (it was later formally dubbed education sector ‘lead agency’ as part of the PRSP implementation process) and the RESSP itself was a means of developing capacity within MINEDUC to assume, over time, greater responsibility for coordinating and monitoring the involvement of development partners (multilateral and bilateral aid agencies, development banks, NGOs) in the sector.

Box 3.5: Challenges of creating ownership

Although the concept of SWAp had been presented to MINEDUC staff in early 2001, before the RESSP started, inevitably this was a new approach and it was very much led by DFID, which was influenced by the successful move towards an education SWAp in neighbouring Uganda. One key member of MINEDUC staff, the Director of Planning, saw the value of the approach and was very much the focal point for discussions between the donors and MINEDUC on the development of the sector. However, at that early stage by no means were all of the donors in favour of the move to a SWAp, because they felt it was premature given the Rwandan context or because they were tied into their own projects. MINEDUC was therefore faced with conflicting messages, a situation which continued throughout most of the period of the RESSP. Donor agency coordination and alignment with the SWAp concept did progress during the life of the RESSP, helped by the annual joint reviews of the education sector (JRES) initiated in 2003, but even by the end of the RESSP the different procedures required by the development banks, in particular the World Bank, and the bilateral agencies, meant that a harmonised approach would remain a goal rather than a reality.

¹A term used by Clare Short when International Development Secretary and in the Oxfam briefing paper From ‘Donorship’ to Ownership? (2004), attributed there to John Weeks.

The fact that the donors were also linking their dialogue with MINEDUC with their own agendas related to poverty reduction and their involvement in the PRSP and MTEF processes placed further demands on key MINEDUC staff, whose expertise had to shift to some extent from education to broader (donor agenda) development issues. This put pressure on the RESSP to build capacity in these areas as part of the policy development and strategic planning process, which is likely to have caused resistance among some members of MINEDUC staff who saw this as beyond their responsibilities.

Although the key partner relationship during this stage of Rwanda's development of the education sector might well be seen as between MINEDUC and the development partners, as the key funders of development activities, other partnerships also needed to be considerably strengthened. In 2001 MINEDUC's relationship with other ministries was weak: the most significant of the other ministries impacting on education was of course MINECOFIN, but the Ministry of Local Government and Social Affairs (MINALOC) had responsibility for adult literacy, 'family education' and scholarships for needy children, the Ministry of Youth, Sports and Culture (MIJESPOC) for vocational training and youth programmes, and other ministries also had responsibilities that impacted on education. Similarly, links with those responsible for service delivery, the decentralised authorities (Provinces and Districts), the FBOs and private sector which owned or managed respectively 39% and 28% of all the secondary schools (see chapter 5), were inadequate for achieving the improvements needed in the sector.

The need to move on so many fronts at once was made more difficult by the environment of civil service reform, linked to decentralisation. Starting in 2000, Rwanda had been undertaking a process of decentralisation, initially transferring certain budget lines and responsibilities

from central ministries down to Provinces. Coupled with the fiscal decentralisation and restructuring of territorial administration, a significant programme of civil service reform was undertaken in several stages during 2004 and 2005. This involved a serious cutback in the number of posts and the structure of the central civil service, with many people either being made redundant or being redeployed in the new decentralised structures. The long period during which staff were waiting to hear whether they were going to retain their posts or indeed have any job at all was extremely demoralising and made capacity building activities very difficult. Consequently, bringing about change within the sector was also considerably delayed.

In 2005, during the final phase of the RESSP and after the main support to MINEDUC had been completed, a much more radical step was undertaken, when the old Province and District structure with 12 Provinces and 106 Districts was replaced by a new structure of 30 Districts. Central ministries then had many of their staff and significant finances transferred down to the new Districts who will have greater responsibility for service delivery. These changes have significantly changed the role of MINEDUC during 2005. Under these changes, MINEDUC retains responsibility for policy and strategy development and monitoring and evaluation of progress in the education sector, but the thirty new districts now have responsibility for service delivery and the implementation of the ESSP. MINEDUC personnel have been reduced to a minimum with the transfer of many MINEDUC professionals to education roles in the newly created Districts, and MINEDUC is now about one fifth the size it was when the RESSP started: this has inevitably reduced the impact of the RESSP.

3.3.3 Sector versus sub-sectors

The revision of the ESP enabled MINEDUC to start work during 2003 on developing its first strategic plan, the

“ One of the aims of the ESSP was to give all stakeholders a strategic roadmap of the direction the education sector would go along in the medium term so that it was clear what the priorities within the sector were. ”

ESSP. The updated ESP and the development of the ESSP began to recognise and formalise the need to focus on longer-term issues such as curriculum reform, textbook provision, teacher management and development, language of instruction, etc. so that these areas could be prioritised and funded in a manner that would lead to increased quality and relevance of the education system. They also required MINEDUC staff to develop sub-sector strategies (and some strategies for cross-cutting issues such as gender and HIV/AIDS) at the same time as they were expected to treat the development of the sector as a whole as their key aim. The first ESSP was finalised during 2003 and covers the period 2003–08, the intention then being that the plan should be updated regularly and not be set in stone for five years. One of the aims of the ESSP was to give all stakeholders a strategic roadmap of the direction the education sector would go along in the medium term so that it was clear what the priorities within the sector were.

There were, however, a number of influences that detracted from the possibility that this would be a sector-wide prioritisation based on objective, evidence-based assessments of where the effort and the financing should be applied.

Box 3.6: Overcoming the obstacles to adopting a SWAp

Obstacle 1: The EFA agenda

One of the obstacles was the EFA agenda. In the 1990s and beyond, basic education, the main focus of EFA, was the priority area for many donors, with some restricting their own spending only to this level of education. EFA was also under the global patronage of UNESCO, which in Rwanda was the sector lead agency until 2003 and which was encouraging MINEDUC to develop its own EFA action plan following the commitments of all

education ministries at the 2000 World Education Forum in Dakar. The focus of the EFA action plan was basic education and its end date was 2015. The work on the EFA action plan and on the ESSP was initially not coordinated and there was potential for conflicting priorities. This situation was alleviated to some extent when the RESSP was expanded to provide MINEDUC with an EFA adviser, and the two plans were eventually developed in a compatible way with the basic education sub-sector strategy in the ESSP reflecting the first five years of the EFA action plan, but the coincidence of EFA planning undoubtedly influenced the content of the ESSP.

Obstacle 2: Higher education

A further influence on prioritisation was the HEIs. At the start of the RESSP they were largely independent of MINEDUC and received disproportionately large funding in relation to other sub-sectors. Over the four years of the main phase of the RESSP, a key component on higher education had a significant impact on the integration of the HEIs as stakeholders within the education sector and on rationalising the funding, but this was a slow process and was still not fully accomplished by the end of the RESSP. At the time of the development of the ESSP, the HEIs were still seen as representing a sub-sector somewhat apart from the rest and one that had not accepted that it had a role in the SWAp. Conversely, the technical and vocational education sub-sector, which had no influential institutions and no significant donor patronage, was given very low priority within the ESSP.

In the circumstances, the ESSP was a reasonably balanced document, but its development reflected a situation in which MINEDUC staff responsible for particular areas of education and donors with particular priorities were undoubtedly able to influence the content in favour of

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particular sub-sectors. This was overruled to some extent by the financial allocation in the plan, which reflected what was considered by the World Bank to be best practice in terms of balance between sub-sectors. But this was only a plan, and in reality the HEIs continued to exert an unjustified influence and distorted the intended balance of the SWAp.

3.3.4 Impact on teaching and learning

The RESSP was a highly centralised programme in which the main direct focus was MINEDUC itself. The one output in the logical framework that mentions quality refers specifically to ‘mechanisms enhanced for improving the quality, access and equity of education’ (DFID, 2000) and not to the quality itself being enhanced. The other three outputs relate to the education sector plan process, capacity for SWAp and the inclusion of HIV/AIDS in the curriculum.

Box 3.7: Effecting change in the classroom

In practice, the implementation of the programme took the impact closer to the classroom than the wording of the outputs would suggest. One major component was the distance teacher education project managed by the Distance Teacher Education Adviser, which has trained some 470 formerly unqualified practising teachers. The EFA Adviser provided support to the work of the primary teacher training colleges and of the catch-up centres for out-of-school children and helped develop an approach to school improvement planning linked to the introduction of a capitation grant for primary schools. Work on curriculum development has led to invitations to tender for production of new textbooks, which are being funded through a separate financial aid component of the RESSP.

In terms of the three factors of large-scale education reform (see sections 1.5 and 3.2.4 above), the RESSP has had a

significant impact on government policy, has had some impact on infrastructure, but has had only minimal impact on school capacity (capacity to manage change at the level of the school). The SWAp process for which the RESSP was developing capacity can be seen as having a major impact on the planning and financing of the sector, but it cannot yet be said to be having any significant impact on what goes on in the classroom. Although the improved, more rational, evidence-based planning and the increased, more focused and more efficiently channelled financing are of course expected to lead to significant improvements in teaching and learning, in educational terms it may be difficult to attribute any changes that do occur in the future directly to the impact of the RESSP and the SWAp.

3.3.5 Moving to budget support

DFID was already providing DBS to Rwanda at the time the RESSP was established, and its country assistance plan for Rwanda for 2003–06 stated that two thirds of DFID’s programme there was to be DBS (DFID, 2004, p. 17). A political decision had therefore already been taken at an early stage to move away from the provision of support through TA and increase the funding going directly into the GoR budget. The assumption was therefore that the planning, financial, monitoring and control systems would be adequate for this. On the Rwandan side, perhaps in part because of the apparent confidence shown by DFID (although by no means all donors) in using the GoR budget, the desire was expressed that donors should provide general budget support and leave it up to the Government itself to determine how best to use the funds.

In fact the RESSP team found that, given the starting point in 2001, the process of strengthening capacity to address key policy issues and put plans and systems in place was a slow one. It was slowed down further by the evolving civil service reform situation. Inevitably, planning within

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MINEDUC in relation to some policy issues was overtaken by political decisions taken outside MINEDUC, for example government declarations that primary education was to be fee-free before any systems for providing funding to schools to replace the user fees had been planned, and then later a similar declaration in relation to secondary schools. The ESSP for 2003–08 became fairly rapidly out of date, but during 2005, just before the completion of the main phase of support, the RESSP was able to provide support to enable MINEDUC to update and revise the ESSP (as ESSP 2005–2010 (MINEDUC, 2005)) to reflect new policy decisions. This in turn will require decisions on issues of curriculum reform, teacher training reform, teacher management and development reform and so on, and then at some stage further revision of the ESSP, which requires technical as well as purely financial inputs.

The civil service reform, which has now reduced the size of MINEDUC to a fifth of what it had been when the RESSP was launched, may have had the effect of reducing MINEDUC’s capacity to spend its increased financial resources. If this is the case, this will present a dilemma for the donors which are to some extent rewarding the Rwandan education sector for its successful adoption of a SWAp, but may find that the additional funds cannot be spent because the capacity is no longer there.

3.3.6 Role of the managing agent, project management and consultants

Although as noted in section 3.1 above the move to SWAps was in part a response to a growing disillusionment with projects, the RESSP contained both non-project support to MINEDUC leading towards a SWAp and four projects with their own logical frameworks, subsidiary to the overall RESSP logical framework. The projects represented 40% of the total RESSP budget. Partly because of this hybrid nature of the programme and partly because of the limited resources within MINEDUC at the time the RESSP started,

CfBT’s proposal to manage the RESSP from an office in Kigali (rather than from within MINEDUC) was seen as a positive point in CfBT’s bid, and in practice it would not have been feasible to manage such a complex programme in any other way. Nevertheless, there was an inconsistency inherent in the need to manage from outside MINEDUC a programme intended to build MINEDUC’s ownership.

SWAps require a strong direct relationship between the MoE and the donors. In practice, for the first year and a half of the RESSP DFID had no education sector specialist based in Rwanda, and to some extent CfBT had to play the role of substitute even though it could not speak on behalf of DFID or of the donor community in general. Once DFID had a full-time education adviser in Kigali, the distinction between the role of DFID and the role of CfBT was occasionally blurred and there was some overlap, which reflects the fact that SWAp is far from being an exact science.

Box 3.8: Flexibility of the capacity-building approach

In late 2000, when DFID called for expressions of interest for managing the RESSP, the response was from specialist education firms or consortia. The only posts specified in the logical framework were education advisers (planning, curriculum development, and higher education). As the programme evolved, it became clear that DFID’s expectations were evolving too, and the sort of expertise that was being expected of the team was in institutional development, public administration reform and financial planning that could be applied to the education sector. In general CfBT was able to provide the necessary expertise, but with hindsight an institutional development adviser post, or the need for institutional development expertise, should perhaps have been included in the original programme definition.

“ *In many respects, the success of the RESSP has been much less because of the education expertise CfBT has been able to provide and rather more because of the adaptability, flexibility and broader capacity building skills of the RESSP team CfBT has provided to MINEDUC.* ”

Similarly, CfBT was fortunately able to provide experts who could cope with the evolving political environment of post-genocide Rwanda and the context of major and often unpredictable civil service reform. In many respects, therefore, the success of the RESSP has been much less because of the education expertise CfBT has been able to provide and rather more because of the adaptability, flexibility and broader capacity building skills of the RESSP team CfBT has provided to MINEDUC.

3.4 Lessons learned

A claim for SWAp is that they address the significant correlation between spending effectiveness and better education standards. This assumes that the process of sectoral and sub-sectoral policy development, strategic planning, financial planning and management based on realistic resource expectations, building partnerships and consensus on policy options and priorities (most significantly with the key sources of funding, the donors), with associated capacity building to strengthen effective decision making, would together have more impact than promoting basic education, post-basic education and training, or higher education independently of one another. Some 10 years after ‘sector-wide’ first entered the donors’ glossaries, it is appropriate to review such claims and in particular to consider whether the focus on the sector as a whole rather than on specific sub-sectors has borne fruit. For this purpose, the two broad advantages of SWAp identified by Ratcliffe and Macrae (1999) can be used as a starting point.

- SWAp focus greater attention on education sector performance, outcomes and service quality through a greater emphasis on policy, budgetary and institutional concerns.
- SWAp provide an opportunity for more effective relationships between national governments and funding agencies, including increased national leadership, ownership of reform plans, revised mechanisms for joint government and

funding agency strategic negotiations and performance review.

In relation to the first of the two positive features identified by Ratcliffe and Macrae above, MINEDUC’s move towards a SWAp has coincided with Rwanda’s PRSP process. Education is a key sector within the PRSP, although it has to be said that the text of the education pages of the PRSP owes more to what was being said and written in relation to the ESP and the EFA action plan that were then being drafted than a genuine attempt to link the education sector directly to poverty reduction – as with many PRSPs, the link between education and poverty reduction was treated as a given (Hayman, 2005). In the last five years MINEDUC has gone through a process of policy development for the sector, for sub-sectors and for cross-cutting issues, some of which focus on equity and pro-poor issues, such as gender, HIV/AIDS and most recently provision for orphans and vulnerable children.

Sector budgeting, linked to national MTEF planning, has been considerably strengthened. Weaknesses can be attributed to the influential and vocal HEIs, which were given special consideration in the first decade after the genocide in order that the human resources lost through death and emigration could be rapidly recovered. However, considerable progress has been made in making higher education an integral part of the sector and the HEIs are now seen as contributing to a single education sector policy. On the other hand the emphasis on getting basic education and higher education right has pushed non-tertiary post-basic education and training into the background and developing a coherent policy for this area has already been identified as a pressing step for the future.

Institutionally, there is more integration – with, for example, the combining of the former separate primary and secondary directorates into a single unit covering primary and secondary education. Progress nationally on decentralisation has also helped, as the central ministry is now responsible for policy, national planning, standards and monitoring, but not for the direct implementation of programmes. Coordination between donors and between

“ *Coordination between donors and between MINEDUC and the donors has been steadily improving and the recently introduced cluster system, which brings together ministries and funding agencies, has been a significant step forward.* ”

MINEDUC and the donors has been steadily improving and the recently introduced cluster system, which brings together ministries and funding agencies, has been a significant step forward. Nevertheless, capacity constraints mean that it is not always possible to focus on sector-wide and pro-poor strategies in the way some might wish.

In relation to the second of Ratcliffe and Macrae's positive features of SWAps, the relationship between MINEDUC and the funding agencies has changed dramatically over the last five years and the decision making is now far more in the hands of MINEDUC than it once was. MINEDUC's ESSP has been accepted by the donors and is now seen by them as the guide to what resources should be made available to the sector. Funding for the sector is shifting away from projects, and from 2006 will be largely through a sector budget support mechanism which will be a key source for financing the implementation of the ESSP. Annual joint reviews (JRES) started in 2003 and have now become the main performance review mechanism.

The education sector was the first in Rwanda to move towards a SWAp and to undergo an organised process of policy development, strategic planning and sector review. Other sectors such as health, which in some other countries have been ahead of education in following this path, have in Rwanda made less progress and have received most of their support through more traditional projects. Significantly, the education sector has been held up by the government as a model and other sectors are now learning from the education sector experience and are themselves developing SWAps.

The Rwanda experience highlights a number of issues which are likely to be generally applicable, of which the following are particularly significant.

1. In order for the SWAp process to get underway and become embedded, it requires a champion as well as broad commitment. In Rwanda the commitment was demonstrated on both the donor and government sides. But without someone

to champion the approach, given the limited experience and perspective of some staff, there is a danger of key staff providing only lip service.

2. Treating the sector as a single unit can be undermined when there are influential and vocal advocates of a single sub-sector or even a single institution arguing for special consideration. As with the implementation of any such change, a SWAp is a process in which not all come on board at the same time.
3. Donors do not necessarily present a coherent message, even when nominally signed up to the SWAp concept. For example, some have put pressure on MINEDUC to put more effort into primary education or into pre-primary education or into technical and vocational education. This has lent support to certain staff within MINEDUC who have elevated these sub-sectors, but made it more difficult for MINEDUC itself to go through a reasoned discussion of the issues in terms of the impact of the sector as a whole on national development.
4. Joint reviews of the sector (JRES), which in Rwanda have included representatives of local education authorities, HEIs, schools and NGOs, as well as of the central ministry and donors, are an opportunity for issues around the balance between the sub-sectors to be aired and resolved publicly.
5. A weakness identified in SWAps elsewhere is that they have paid inadequate attention to quality (Foster and Mackintosh-Walker, 2001; Higgins and Rwanyange, 2005) and the Rwanda experience has also been that many of the most significant achievements so far have been in policy development, planning and quantitative issues. While quality has received a lot of attention in discussion, there now needs to be a much greater effort devoted to giving the students a worthwhile learning experience in the schools and colleges, and ensuring that expenditure really is used efficiently. There

“ *In a resource-poor context, where the amount of financing available for education is relatively fixed, the funds available should be used to achieve the desired education sector outputs and outcomes efficiently, irrespective of the influence of the proponents of any particular sub-sector.* ”

is a need to treat headteachers and teachers as significant partners in the dialogue from an early stage, to treat them as significant targets for capacity building activities and to include them as key players in accountability for achieving agreed quality indicators.

3.5 The way forward

The lack of correlation between economic development and education, more specifically between gross domestic product per capita and education indicators, was a key stimulus for moving towards SWAps. The dissatisfaction of donors with the impact of education sector outcomes on poverty reduction highlighted the need to address whole-sector policy issues (Ratcliffe and Macrae, 1999). Given the relatively fixed amount of funding for the sector, each sub-sector needs to be treated in relation to its contribution to the education sector as a whole, and this concept of whole-sector planning is by definition one of the underlying features of SWAps. Looking at the sector as a whole ensures that broad national goals and poverty reduction and related strategies can be factored into and financed within a comprehensive national education framework, and the focus is on national outcomes irrespective of inputs at the level of each sub-sector.

SWAps were also a reaction to the increasing dissatisfaction with the project approach, which was seen as divisive, creating competition for resources between different projects and tending to ignore national sectoral goals. Calls for more funding for specific sub-sectors without placing this in the context of a specific national poverty reduction programme is akin to reverting to projects and suggests that the SWAp concept has been breaking down. Indeed, some donors may now be losing faith in SWAps.

In a resource-poor context, where the amount of financing available for education is relatively fixed, the funds available should be used to achieve the desired education sector outputs and outcomes efficiently, irrespective of the influence of the proponents of any particular

sub-sector. It is the priorities of the sector as a whole, in relation to the developing national, regional or local economy, that should determine how the funds are used.

Although the arguments for moving to SWAps have largely been from a donor perspective, as a reaction against the lack of correlation between education and poverty reduction and against the disadvantages of a wholesale project approach, the Rwanda experience would support making a case for SWAps in terms of reducing potential internal wrangling between sub-sectors within ministries. Given limited management capacity and possibly limited leadership and commitment to reform in ministries in some countries, a SWAp provides a rationale for decision making, especially in circumstances where donors are not providing a coherent approach themselves.

Box 3.9: Ownership and capacity

While ownership is key to successful implementation of change, to bring about the education quality reforms needed, the experience of the RESSP would suggest that local capacity, however acquired or delivered, will have more impact than local ownership. Resource-poor governments are unlikely to have capacity to do all that is required to meet key development targets. As the Director of Planning in MINEDUC put it: 'There is no point in saying that the government should be in the driving seat if it does not know how to drive. Teach it how to drive first.'

Chapter 4: Education sector financing

“Of all regions in the world, Sub-Saharan Africa faces the greatest challenges in reaching the UPE target”

4.1 Global trends in education financing

4.1.1 The financing gap to reach the Millennium Development Goals

The international community has committed itself to the achievement of the MDGs, two out of eight of which relate directly to education. Of all regions in the world, Sub-Saharan Africa faces the greatest challenges in reaching the UPE target (Naschold, 2002, p. 1).

Box 4.1: Cost of achieving the education MDGs

Estimates of the global resource gap for achieving the education MDGs range from \$3 billion to \$11 billion annually (Gurria and Gershberg, 2005, p. 2) with the variation being due to different assumptions concerning issues such as pupil-teacher ratios, teachers' salaries, the impact of HIV/AIDS, economic growth, and whether the costs of EFA should also include secondary education. These estimates are based on an average annual cost per pupil. However, the marginal cost of reaching the last few per cent of out-of-school children will be much higher than the average annual cost per pupil used in the above estimates. Foster and Keith (2003, p. 48) point out that if the rising marginal costs to extend education to hard-to-reach groups are taken into account, perhaps a total of \$130 billion will be needed per year for education alone.

While these estimates project the total additional funds needed, rather than the external financing gap, it is nonetheless clear that if the education MDGs are to be met, then a significant part of this financing gap, given its magnitude, will need to be met through sustained and long-term increases in aid flows, though there are opponents of this view (for example, Burgess, 1997, cited in Bray, 2004, p. 37, who argues that dependency on

aid financing is not sustainable in the long term, so the focus should be on strengthening domestic taxation systems alone).

4.1.2 The Education for All Fast Track Initiative

Part of this financing gap is being met through the EFA-FTI, which was launched in 2002 as a global partnership between developing countries and donors to ensure progress in achieving the MDG of UPE by 2015. For countries to receive FTI endorsement, they must satisfy two criteria: (i) to have a poverty reduction strategy or equivalent in place; and (ii) to have a sound education sector plan in place that has been endorsed by in-country donors.

After endorsement, there are two main channels for increased donor funds to flow to that country to assist financing the education sector: (i) for donor orphans (defined as those countries with four or fewer bilateral donors each giving over US\$1 million to the education sector), there is the Catalytic Fund (CF), established at the end of 2003 to provide transitional funding for two to three years until the country can attract more donors; or (ii) for countries with existing donor funding, the local donor group is responsible for providing increased levels of better coordinated aid to the education sector.

For countries that do not have education plans, including many fragile states, a further fund, the Education Program Development Fund (EPDF) was created at the end of 2003 to provide technical support and capacity building to assist these countries in developing a sector plan. The EPDF is a much smaller fund than the CF, with total donor commitments of US\$30 million for the period 2005–07 (FTI Secretariat, 2006c, p. 3).

By February 2006, a total of 20 countries² had been FTI endorsed, with 54 low-

² Burkina Faso, Djibouti, Ethiopia, Gambia, Ghana, Guinea, Guyana, Honduras, Kenya, Lesotho, Madagascar, Mauritania, Moldova, Mozambique, Nicaragua, Niger, Tajikistan, Timor Leste, Vietnam and Yemen.

income countries (LICs) including 14 of the FTI-endorsed countries, receiving technical support through the EPDF (FTI Secretariat, 2006c, p. 1).

Catalytic Fund progress on commitment and disbursements

As of mid-2006, there were 14 countries receiving funds from the CF, and nine donors who have made financial commitments to the fund totalling \$165 million over the last three years with future commitments of \$279.7 waiting to be released. For the period 2003–07, a total of \$320.7 million has been committed for EFA spending in 14 different country programmes. 91% of all funds planned for 2003 and 2004 were disbursed in 2003–04, but only 55% of all 2005 funds were disbursed during 2005. While the time lag between commitments and disbursements has halved over the last two years, it is still taking three to four months on average between allocation decisions and funds disbursement taking place (FTI Secretariat, 2006a, p. 3).

The two main challenges to the CF are: (i) low levels of disbursements compared to original commitments; and (ii) the fact that while overall pledges to the CF for the next few years currently total US\$198.5 million, the estimated financing gap in these 14 countries over the next three years is a huge US\$1.1 billion: hence the CF can only meet around 17% of their needs. In addition, the other six FTI-endorsed countries that are not eligible for CF finances face a financing gap of nearly US\$1 billion (FTI Secretariat, 2006a, p. 6), and there is a queue of new countries waiting for endorsement and hoping to receive additional financing through the CF.

Overall trends in education Official Development Assistance

Despite these challenges of the FTI, the initiative seems to have had a positive impact on external financing for education in developing countries. Commitments to education jumped from \$4.6 billion to \$8.6 billion between 2001 and 2004, with a

greater proportion of the increase going from bilateral donors to LICs, who saw education aid increase from \$2.9 billion to \$6 billion over the same period. Six Development Assistance Committee members (Canada, France, Germany, Japan, Norway and the UK) were responsible for 63% of the increase in 2002–03, with only 23% of this increase going to Sub-Saharan Africa (FTI Secretariat, 2006b, p. 2). Since the launching of the FTI, annual Official Development Assistance commitments to basic education in all developing countries has nearly doubled, reaching \$3.4 billion in 2004, almost the minimum estimated level of aid of \$3.7 billion needed annually by the Zedillo report to support UPE. However, disbursements have fallen far behind commitments, with only \$1.3 billion being disbursed in 2004. Despite this, overall disbursement performance has been improving from 62–63% of committed funds to LICs in 2002–03 to 70% by 2004 (FTI Secretariat, 2006c, p. 4). If budget support to education and TA are included, then the overall aid committed to basic education in LICs over 2003–04 was around US\$2.6 billion, with just over half actually being disbursed on time (FTI Secretariat, 2006b, p. 5).

In developing countries as a whole, the share of Official Development Assistance committed to the education sector has increased from 10.7% in 2001 to 13.5% in 2004, with the increase in LICs being even greater, from 10.2% to 17.1% over the same period (FTI Secretariat, 2006b, pp. 6–7). While this shows donors' commitment to helping finance basic education, over 50% of education Official Development Assistance is still funding post-secondary education, though new commitments made during 2004 may change this trend (FTI Secretariat, 2006b, pp. 12, 14).

4.1.3 Aid modalities

There is a variety of aid modalities that donors can choose from in the way they give financial assistance to a country, with two main types of support: (i) project

support, where the donor defines what the funds are to be used for and how the funds are to be managed, but has a restricted role in policy dialogue with the government; and (ii) budget support, where broad policy agreements are made between government and donors, but government procedures are used to manage the funds and government decides how money is spent. Between these two end points, there are also various hybrid examples. Table 4.1 below outlines the different aid instruments and their hybrids. These aid instruments are often used in conjunction with a SWAp.

4.1.4 The move towards budget support

For many though not all donors, the new millennium has seen a paradigm shift in the way aid is provided with a move away from traditional projects towards DBS, which is also known as programme support. Under DBS, donors give money directly to governments to manage. This new focus is becoming more popular both in general terms, and more specifically in how aid is given to the education sector.

The IMF and the World Bank have been providing programme aid since the structural adjustment period in the 1980s and 1990s, so it is not a new approach. However, Booth (2004, p. 1) argues that there has been a philosophical change in the way budget support is viewed: presently, it is used to develop countries' capacities in policy development and

implementation and has become popular among several bilateral donors; whereas before it was used to bridge specific financial gaps or increase recipient countries' commitments to World Bank and IMF policy reforms.

A recent study (Foster, 2004) of 14 countries receiving general budget support (GBS) shows the following modalities being used for the disbursement of every \$1 of aid:

Direct donor spending (TA and direct payments) not recorded in balance of payments	\$0.30
Recorded in balance of payments, but not reported as part of Government spending	\$0.20
Aid earmarked to specific projects	\$0.30
Provided as budget support	\$0.20

If the highest users of budget support (Uganda, Tanzania and Rwanda) are included, then budget support accounts for around 40% of aid flows.

The rationale behind budget support, often coupled with SWAps, is to improve the efficiency and effectiveness of aid and place the responsibility for planning and prioritising on the aid-recipient governments, thus strengthening ownership. It also enables donors to distribute larger volumes of aid more quickly than under the project approach.

Table 4.1: Present forms of international financing

Aid form	Description	Target	Financial management	Financial systems	Financial reporting
1. Traditional project	A time-bound assignment to support a specific capital investment, e.g. the building of 10 primary schools over three years	Sector or multi-sector support – can only be used to support criteria outlined in the project document	Managed at sectoral level, by donor through a project management unit	Separate parallel system put in place by donor often requiring a government counterpart bank account	According to donor regulations and requirements
2. Sector-common basket of funds	Support provided to a specific sector (e.g. education) through a pooled fund to assist funding an agreed sector policy and plan including recurrent and capital costs	Sector support – can be used in any way as long as the education sector plan remains on track	Donor basket account managed by MoF but funds are earmarked and not necessarily blended with domestic resources and may be disbursed through special mechanisms	Government financial systems used; funds may pass directly to the education sector separate from domestic resources or be merged with domestic resources; either reimbursement or advance of funds	Government systems but with possible additional requirements by donors if government systems are weak
3. Sector budget support (SBS)	As above	As above	Managed by MoF either as earmarked support to a sector or reimbursable support to the MoF based on adequate disbursement of sectoral funds in the previous accounting period; funds blended with domestic resources	Government financial systems used as money is blended with domestic resources	Government systems
4. General budget support (GBS) or 5. Balance of payments support (BoPS)	Support paid into the central bank in foreign exchange (BoPS) or local currency equivalent of foreign exchange (GBS) conditional upon a country following an agreed macroeconomic programme	National support – can be used in any way by recipient as long as the macroeconomic programme and country strategy remain on track	As above	Paid into central bank in foreign currency (BoPS) or local currency counterpart (GBS) for use as government funds	As above

Note: All forms of aid provide additional finances to the recipient country. However, not all forms of aid provide a guarantee of additional finances to the education sector, as a government can choose to use funds given via budget support for any purposes provided that certain progress indicators are met. In this case, the aid is fungible. While aid given to education via a project or common basket of funds guarantees those funds for the education sector through earmarking, the same cannot be said of aid given via budget support, except when aid is given as earmarked SBS. However, even in a situation where aid is earmarked, the government can still choose to decrease its own allocation to education to free up resources for other sectors.

Source: Based on a table from chapter 2 of an economic learning training programme prepared by CfBT Education Trust in 2006 for Save the Children UK (Ndaruhutse & Brannelly 2006).

“ a negative feature of aid provided through traditional projects is that it tends to develop a parallel system of aid management devoid of significant government involvement. ”

4.1.5 Project support versus budget support

The nature of projects is generally to fund one-off expenditures and capital costs like building schools and providing basic furniture and startup equipment for classrooms. Following a project, the main challenge to governments is to find the finances necessary to fund the ongoing operational costs of new schools, including paying the salaries of new teachers. The salary budget in many African countries often exceeds 90% of the sector budget. The implication of this is that once the basic buildings and equipment are in place, the major future need for developing countries is ongoing recurrent funding for salaries, maintenance and quality inputs such as textbooks. This is critical as most countries expand access to education in order to meet the MDGs. Traditional projects cannot easily provide this kind of recurrent funding, thus leaving budget support rather than projects as the main tool for scaling up aid.

In addition, a negative feature of aid provided through traditional projects is that it tends to develop a parallel system of aid management devoid of significant government involvement. The average African aid-recipient country deals with 26 donor agencies and hundreds of projects (de Renzio, 2005, p. 2) with separate financial systems, reporting requirements and audits for each project. This produces parallel systems, which take up government time to monitor, control and ensure release of funds, and does little to build the capacity of government to manage funds or absorb additional funds. The result is high management costs and slow disbursement. Where countries are heavily dependent on aid, this can lead to a situation where donors coerce government to implement certain policies, thus producing a lack of long-term sustainability and national ownership.

By contrast, it is felt that sector goals can be better achieved through a comprehensive nationally defined policy,

strategy and budget framework than through a collection of projects which might leave some priority areas underfunded and have a tendency to use donor-imposed disbursement and accounting procedures rather than using the government's own procedures.

Box 4.2: Advantages of budget support

Two of the main advantages of budget support are: (i) it avoids creating multiple parallel systems, thereby reducing transaction costs and strengthening government financial systems; and (ii) it is available to finance recurrent costs such as teachers' salaries, the area of the budget that is often under high stress and which projects are unable to finance. In Uganda, Rwanda and Kenya, budget support has contributed to the abolition of user fees, resulting in significant increases in primary school enrolment. In addition, budget support in Uganda has also enabled very rapid classroom construction and textbook provision (Foster 2004, p. 27). Thus external aid has been significant in helping the abolition of primary school fees across several African countries, and building the necessary classrooms and training the teachers to help provide for the associated expansion.

However, there are some concerns that GBS does not give those donors particularly interested in education enough power to influence policy at sector level as additional funds are not guaranteed in an earmarked way for the education sector. SBS may be more appropriate in this context, giving stronger incentives for increased education spending as funds are generally either earmarked for education or reimbursed on the basis of adequate disbursement of national finances for education in the previous accounting period. Rwanda and Ghana are currently pursuing this approach.

4.2 Issues to address and challenges faced

In reaching the education MDGs in Africa,

“ Aid disbursements continually fall short of aid commitments. The unreliability of budget support flows in countries that are heavily dependent on aid can cause large disruptions to important recurrent expenditures like salaries and operational costs.

”

there are seven main challenges related to the financing of education.

Challenge 1: Insufficient resources for the education sector

As outlined in sections 4.1.1 and 4.1.2, insufficient resources from domestic taxation revenue and international aid remain one of the biggest challenges to achieving the education MDGs in Africa. In most countries, there is room for aid to be increased further, but this may lead to donors funding in excess of 50–75% of the domestic recurrent budget in highly aid-dependent countries, and thus to questions about how much the domestic government is in control of the political economy if such a high proportion of its funding is coming from external sources. In addition, it is possible that significant increases in aid via Dutch disease effects could have inflationary effects³ on the economy, which could in turn destabilise the macroeconomy.

Challenge 2: Lack of predictability of aid flows

Aid disbursements continually fall short of aid commitments. The unreliability of budget support flows in countries that are heavily dependent on aid can cause large disruptions to important recurrent expenditures like salaries and operational costs. Foster and Keith (2003) note that ‘average shortfalls in aid receipts relative to the budget were equivalent to nearly 2% of GDP in a sample of 28 countries... Moreover, the shortfalls were greatest on programme aid’ (p. 38).

When there are delays in the disbursement of funds on projects, this generally has less of an immediate negative impact, as projects are not usually financing recurrent costs. A report by the Strategic Partnership for Africa found that African partners generally view project aid as being more predictable than other aid modalities directly supporting sector plans. This is followed by sector budget support, which was ranked higher than project assistance in two cases, and as good as project aid in one case (SPA

Secretariat, 2005, p. 3).

There are a plethora of reasons for aid volatility, which fall into two broad categories: (i) technical and administrative delays; and (ii) conditionalities set by donors. The Strategic Partnership for Africa 2005 Assessment asked donors why aid was unpredictable and found the following reasons:

Table 4.2: Donor-assessed reasons for unpredictable aid

Reasons	Percentage
Failure of policy conditionality	40%
Donor administrative problems	29%
Recipient country administrative problems	25%
Political problems	4%
Other factors	2%
Total	100%

Source: Celasum and Walliser (2005) p. 3.

This led Eifert and Gelb (2005) to conclude that around half of the volatility of programme aid might be performance related with the half being linked to administrative delays and other exogenous factors.

Box 4.3: Aid delays in Africa

In recent years, the following African countries have faced delays in receiving aid.

- **Ethiopia and Zambia** due to weak procurement systems (Action Aid, 2005, p. 27)
- **Ethiopia and Uganda** due to political concerns (DFID, 2006; DFID, 2005b)
- **Chad, Mozambique, Tanzania and Uganda** due to corruption, weak governance and the lack of a transparent budget process (de Renzio, 2005, p. 1; World Bank, 2006; Norad, 2005; Lawson et al., 2003, p. 60)
- **Malawi and Rwanda** due to the IMF programmes going off-track (Norad, 2005; Kanyarukiga et al., 2006, p. 23).
- An unknown number of countries due to administrative delays by donors in disbursing the aid.

³ Significant increases in aid can appreciate the exchange rate thereby reducing the value of a country's exports and increasing the value of imports, a phenomenon known as Dutch disease. One solution to this is if the export sector takes the impact of a nominal exchange rate appreciation thus eliminating the inflationary effects, but reducing the net income of exporters. The negative impact of this solution on exporters will depend on the size of the export sector in a given country.

“ Some countries in Africa skew scarce resources towards expensive technical education or higher education which often serves a very small minority at high cost, leaving less of the budget to allocate towards basic education where several million students are often studying in large classes with very few educational resources.

Challenge 3: *Balanced sub-sectoral allocation of resources*

Some countries in Africa skew scarce resources towards expensive technical education or higher education which often serves a very small minority at high cost, leaving less of the budget to allocate towards basic education where several million students are often studying in large classes with very few educational resources. The latest research by the World Bank suggests the following best practice budget shares for countries trying to reach EFA, though the reality in some African countries is that primary only receives around 35%, with secondary and tertiary receiving 55–60% between them.

places to keep up with the demand for primary school leavers.

Challenge 5: *Public financial management systems*

Many African countries have adopted MTEFs for public finances in all sectors of the economy. However, the majority of the effort and training has been on budget planning and preparation, with little focus on budget execution and even less focus on monitoring and evaluation of education expenditure. This means that it is difficult to know whether education spending is efficient and effective. The cash budget system⁴ has also constrained spending in the early months of the year when

Table 4.3: Best practice budget shares for countries trying to reach EFA

Sub-sector	% of budget	Rationale/Source
Pre-primary	0–5%	EFA simulation model target
Primary	50%	EFA simulation model target
Secondary	20–25%	
Higher	15–20%	From latest HE research from World Bank
Non-formal	0–5%	EFA simulation model target
Total	100%	

Challenge 4: *Fee-free education*

Several African countries have abolished school fees in primary education in the last few years, including Kenya, Rwanda, Burundi and Tanzania, to name a few. This has resulted in large numbers of previously out-of-school children enrolling in primary schools, increasing access quite significantly. However, in many cases this has not been matched by sufficient additional funds, so classrooms remain overcrowded and quality, which is often low to start with, deteriorates yet further.

In addition, as Uganda has begun to face as one of the countries that pioneered fee abolition, as the increased cohort of pupils moves through the primary system, there are many more children finishing primary schools with a desire to continue to secondary education. However, the secondary system remains small and designed for a select group of primary school leavers, and funds have not been invested in expanding secondary school

tax collection is low and aid revenue is slow to arrive, thus making it difficult for ministries to spend on non-salary activities earlier in the year.

Challenge 6: *Decentralisation*

Box 4.4: Decentralisation in education systems in Africa

Most African countries have developed or are in the process of developing decentralised structures, with some countries further along the road in delegating financial authority to lower levels of government (for example, Ethiopia, Uganda, Ghana and Rwanda) than others (for example, Malawi). There are two approaches to delegating financial authority to lower levels of the system. The first, used by Ghana, is for the overall budget for education to be decided nationally, and then using well developed

⁴ Cash budgeting is where spending is controlled by the MoF and only authorised against available funds from revenue collection.

“ where decision making and budgets have been decentralised to local and school levels and local communities have been made aware of this, there is evidence, especially in Uganda, that funds are better spent and educational outcomes more likely to be achieved.

poverty ranking criteria and a related allocation formula, the MoE via the Ghana Education Service transfers a block grant for education to each district. An alternative approach, which Ethiopia uses, is for each district to receive an overall budget from the MoF for all types of expenditure including education, but without directives being given on how this grant should be allocated between different sectors so the district decides which priority to give to education compared to health or agriculture. Rwanda sits between these two extremes, with part of a District's money being earmarked for education and part coming as two block grants from MINECOFIN and MINALOC, based on poverty-focused allocation criteria.

Tracking spending to the education sector in those countries that have already delegated financial authority to lower levels of government, or who are federated, proves difficult, as basic education is often funded via block grants to districts for all social expenditure, and the central MoE has very little influence. This is not necessarily a bad thing if decentralised authorities clearly prioritise their needs and education receives a fair budget allocation, but this will not always happen. If specific regions or excluded groups remain marginalised in terms of funding, and national funds do not address this imbalance, then donors may have to consider alternative approaches to budget support to ensure educational outcomes for the most vulnerable.

Despite this concern, where decision making and budgets have been decentralised to local and school levels and local communities have been made aware of this, there is evidence, especially in Uganda, that funds are better spent and educational outcomes more likely to be achieved. In Uganda, 19 000 new classrooms were built over four years (Foster et al., 2005, p. 16) at significantly lower cost than when central government was procuring construction on a national basis.

Challenge 7: Absorptive capacity

Even if the additional donor resources can be found to supplement national resources for education in the move towards EFA, many MoEs struggle to spend their budgets at 100% each year due to weak procedures for procurement, capacity constraints in decision making, and the slow pace of significant reform in areas such as curriculum revision, which has a knock-on effect on the provision of textbooks and in-service teacher training.

Box 4.5: Seven key challenges to education in Africa

Challenge 1: Insufficient resources for the education sector

Challenge 2: Lack of predictability of aid flows

Challenge 3: Balanced sub-sectoral allocation of resources

Challenge 4: Fee-free education

Challenge 5: Public financial management systems

Challenge 6: Decentralisation

Challenge 7: Absorptive capacity

“ The recurrent budget did not change strategically from one year to the next, but tended to increase incrementally by adding on a fixed percentage to most budget lines each year, with no clear education strategy on which these increments were based ”

4.3 Specific context and interventions in Rwanda

4.3.1 Trends in education sector financing

Emergency phase

Over the first seven years after the genocide, the GoR made it a priority to raise tax revenue as well as attracting foreign donors, in order to ensure that it had sufficient and sustained resources to fund public expenditure, including education. Government revenue including grants constituted between 15% and 19% of GDP for the seven years directly after the genocide, and GoR demonstrated a serious commitment to education by increasing total spending on education from 14.5% in 1996 to over 25% in 2001 (World Bank 2004, p. 29).

While there was a strong commitment from GoR to fund education, there were substantial changes in what the education budget was funding over the post-genocide period, with the higher education budget growing from 14% in 1996 to over 37% in 2000 and 2001, largely due to the opening of three new public HEIs whose aim was to rapidly train graduates needed to replace the skilled manpower lost during the genocide. This had a negative impact on the primary education budget whose share dropped from a high of 70% of the budget in 1996 to only 45% in 2001. This short-term imbalance had been partially corrected by the end of the RESSP.

Developing a medium-term expenditure framework

The early work on developing the budget in MINEDUC was undertaken without reference to a sector strategic plan, as this had not yet been developed. However, it did involve taking stock of what different bilateral and multilateral donors were financing to build up a picture of the substantial resources being provided for by donors, which in 2000 were not at all well coordinated or known about within MINEDUC. In addition, the budget for the sector was distributed

between several ministries (MINEDUC, MINALOC, the Ministry of Gender and Women in Development (MIGEPROFE), and the Ministry of Public Service and Labour (MIFOTRA), even though MINEDUC oversaw a large part of it.

Before 2001, there was no medium-term forward budgeting so the focus was on planning the budget for the year ahead only. The recurrent budget did not change strategically from one year to the next, but tended to increase incrementally by adding on a fixed percentage to most budget lines each year, with no clear education strategy on which these increments were based and the ESP being a loose point of reference. The budget was structured by MINEDUC department and did not adequately reflect the activities of the education sector, with budget lines consisting of salaries and operational costs, with a few lines for other inputs like textbooks. The development budget was mainly driven by availability of donor funds, and not by actual GoR needs and priorities, meaning that the links between the development budget and the recurrent budget were progressively weakening. Many development projects, especially those involving school rehabilitation and construction, proceeded without assessing the recurrent expenditure implications and availability of future funds for the additional services being introduced.

Box 4.6: Support for the MTEF approach

The MTEF was introduced in Rwanda from the 2001 budget year to try to resolve these weaknesses and produce radical changes in how budget preparation, implementation, monitoring and evaluation would take place. This changed the way the budget was formatted from being based on departmental inputs over one year to being based on programmatic outputs over three years, with the aim of strengthening links between policy,

planning and budgeting. TA was provided under the RESSP from 2002 to support the development of the MTEF in the education sector and to provide training to MINEDUC and decentralised education personnel. The key successes of and challenges to the TA inputs are described in the next few pages.

At the start of the 2002 financial year, a programme of decentralisation was started, which saw around 40% of total education spending being transferred from MINEDUC to the Provinces. Several key budget lines were decentralised, including primary and secondary teacher salaries, school feeding in secondary schools, in-service teacher training for primary teachers, and the salaries and operating costs of all decentralised educational personnel (Directors of Education and District Education Officers).

Recent trends in the education sector budget

Table 4.4 below shows the trends in the recurrent budget and the development budget for the whole education sector for the period 2003–05.

Table 4.4: Budget trends for education sector 2003–05

Education budget trends	2003	2004	2005
Education sector total	33 866 938 209	40 062 460 435	45 710 906 126
Growth rate		18%	14%
Total MINEDUC recurrent	16 749 411 632	20 417 057 457	25 484 832 304
Total education development	7 896 020 000	8 851 710 800	8 272 792 000
Growth rate		12%	-7%

Source: GoR 2002c, GoR 2003, GoR 2004

The recurrent budget for the education sector, which is funded by the treasury with assistance from budget support, has continued growing by 18% and 14% in the last two years, showing GoR's commitment to education. A large part of

this increase went to the pre-primary and primary sub-sector to allow for an increase in the capitation grant for primary schools. In the secondary sub-sector, there was an increase in the overall budget for fee-free lower secondary education to allow for increased enrolments in the new lower secondary schools, as well as increases in girls' education and equipment for science and computer laboratories. The budget for non-formal education increased dramatically, but from a very low base; the bulk of this increase is to help reach the national targets for adult literacy.

The development budget looks like it has been fluctuating over the past three years. This is due to some weaknesses in the preparation and recording of information for the development budget which are outlined below.

- (1) *Wrong categorisation of projects:* projects are categorised by programme, with certain projects being categorised in the wrong programme.
- (2) *Changing categorisation of projects:* some projects change categorisation from one year to the next.

(3) *Omission of projects:* several projects are not included in the official Finance Law even though they are operational. This includes many of the projects running in HEIs and several bilateral projects supporting MINEDUC.

⁵ The 2004 budget was revised. However, this revision was an internal reallocation within the MINEDUC budget and given that no official copy of the revised budget was printed, it is assumed that the overall budget for education remains the same, but the sub-sectoral allocations have been adjusted to reflect the internal revisions.

(4) Wrong sector classification: other projects are defined in other sectors rather than under the MINEDUC development budget, even though they are education-related expenditures. A good example of this is the UN World Food Programme providing school feeding.

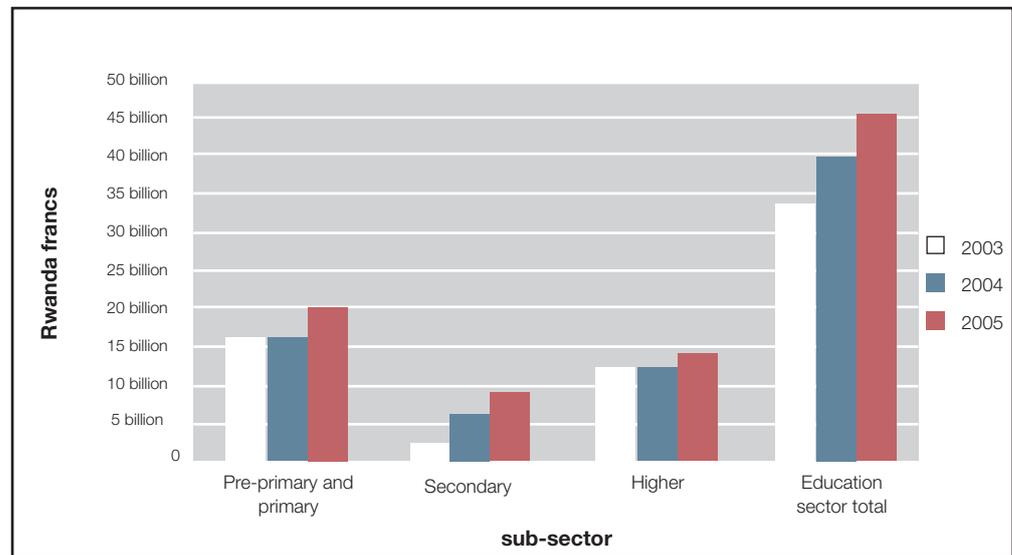
(5) Inclusion of recurrent costs: some recurrent costs are included in the development budget, such as the salaries of expatriate lecturers in HEIs, which should really be financed in the recurrent budget.

These weaknesses make it difficult to paint an accurate picture of the size of the development budget for education, and they can give the impression that some sub-sectors of education are well financed compared to others, when the reality is different. This is why the development

2005 official Finance Law, so the true picture is that the 2005 development budget for MINEDUC is probably around the same size as the 2004 development budget. The development budget in Rwanda is still prepared separately, though both budgets are recorded in the official Finance Law. There have been plans for the integration of the two budgets since 2001, but this has not as yet happened. Chart 1 below shows the trends in the recurrent education budget for the three main sub-sectors between 2003 and 2005.

Chart 2 shows the education sector budget sub-sector allocations for the period 2003–05. In 2003 and 2004, the education not elsewhere classified category included much more than just the institutional support costs, which are generally around 5% of the overall

Chart 1: Education recurrent budget trends, 2003–05



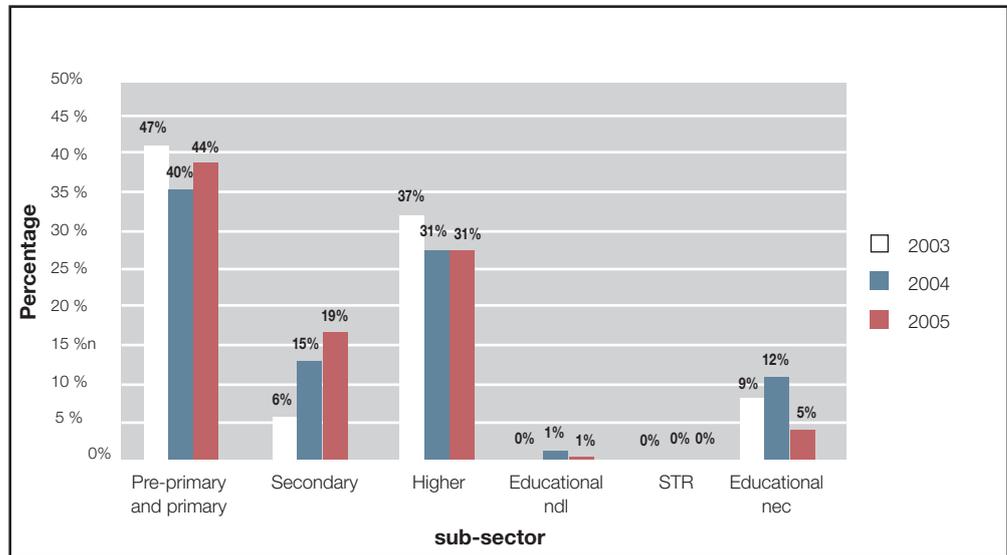
Source: GoR 2002c, GoR 2003, GoR 2004

budget in table 4.4 above is given as a global figure each year rather than broken down by sub-sectors. While it appears that there has been a 7% drop in the development budget between 2004 and 2005, this is not the case, as several projects have not been included in the

education sector budget. This implies that the real primary and secondary sub-sector allocations were probably a few percent higher than what is shown.

“ that the sub-sector budget allocations are moving towards the best practice budget shares for countries trying to reach EFA to ensure a sustainable expansion of the whole education system, with a strong focus on ensuring that the UPE target is met.

Chart 2: Education sector budget allocations by sub-sector, 2003–05



Key: ndl = not definable by level; nec = not elsewhere classified
 Source: GoR 2002c, GoR 2003, GoR 2004

From chart 2, we can see that the sub-sector budget allocations are moving towards the best practice budget shares outlined in table 4.3 for countries trying to reach EFA to ensure a sustainable expansion of the whole education system, with a strong focus on ensuring that the UPE target is met.

4.3.2 Higher education

Background

Higher education in Rwanda expanded and diversified rapidly in the post-genocide years. Three new public institutions were opened in 1998 and new private institutions have been opening every year (see chapter 5 for more details). The number of government-sponsored students jumped dramatically in the first three years of operation of the new public HEIs, but has remained reasonably stable over the past few years at around 14 000. As a result of the creation of the new HEIs, the public budget for the sub-sector grew significantly between 1997 and 2003, tripling between 1997 and 1998. The sub-sector currently serves a small

population, but by 2002 was absorbing nearly 40% of the country's recurrent spending on all education services largely due to (i) almost all students in the public institutions receiving a full government bursary; and (ii) the high cost to the government of supporting 500–700 Rwandan students studying overseas.

In 2000, 148 primary pupils could be educated in Rwanda for one year for the same price as one higher education student studying at one of the public HEIs. This level and inequality of spending could only continue to the detriment of efforts to develop primary and secondary education, and at the cost of seriously compromising the country's broader poverty reduction agenda.

Laws related to higher education developed under RESSP

With the help of RESSP, three important legal documents were developed and presented before the Cabinet to try and provide a coherent framework for the development of the higher education sub-sector:

- the Higher Education Law, which was approved by Parliament, enacted and gazetted in mid-2005;
- the Student Financing Agency of Rwanda (SFAR) Law, which was approved by Cabinet in April 2005 and then referred to Parliament;
- the National Council for Higher Education (NCHE) Law, which is awaiting Parliamentary approval.

The Higher Education Law proposed the creation of two bodies to which the other two laws relate.

- The SFAR, an agency responsible for moving away from the present system of subsidisation for all students in public institutions, to one where subsidies are offered more selectively and as repayable loans. The new system will award loans on the basis of several criteria, including performance in the secondary school leaving examination, students studying priority subjects such as science and technology, and ways of encouraging greater female participation and the participation of students from disadvantaged backgrounds. Students who do not meet these criteria for the limited number of available loans can still enter HEIs, private or public, but as fee-paying students. All eligible students for the loan scheme will only receive a loan for each year of full-time equivalent study, and will not receive a loan for years that they repeat, having to pay back their loan as a proportion of their income when they reach a specific earnings threshold (an income-contingent loan scheme).
- The NCHE, a group of senior academics and policymakers who will meet regularly to make decisions regarding national policy, strategy and funding for the higher education sub-sector.

Support to higher education institutions

During the period 2003–05, in addition to the development of these legal frameworks in higher education, significant support was given to the higher education sub-sector and HEIs to try to rationalise the budget, as the existing system meant that some institutions were receiving much larger amounts of money per student for the same type of course than others for no justifiable reason, and the very high unit costs in the sub-sector were not sustainable at the same time as GoR wanting to expand access towards UPE. Under RESSP, a specific programme of training was developed and delivered once to the HEI senior management teams, and once to all the department budget technicians in public HEIs. This was followed by the provision of TA to the HEIs looking at improving efficiency and effectiveness, human resource development and resource diversification.

One of the main aims of the training programme was to move towards a formula funding system for higher education that would recognise the differences in costs between courses, but allocate a more equitable unit cost per student to each HEI for different categories of courses. The first attempt at doing this was undertaken during 2003 in preparation for the 2004 budget, but this failed. A second much more detailed attempt was undertaken in 2004 based on a unit cost study undertaken in all HEIs. However, to date no system of formula funding based on unit costs per student has yet been agreed or adopted by individual HEIs, even though this is now the norm in most developed countries and in some African countries (for example Kenya and Ethiopia). However, costs related to student loans, dissertations, placements and internships have been transferred from the HEIs to the SFAR meaning that the HEIs are only responsible for academic costs rather than welfare costs as well.

The other support given to institutions under RESSP was to look at efficiency

issues. This involved significant time looking at staff utilisation for individual courses, as staff–student ratios seemed very low in many of the public HEIs, with the result that most of the available resources are eaten up by personnel expenses with little left to finance other complementary inputs. This exposed the fact that many academic staff were teaching less than their minimum 12 hours per week, and did not seem to have sufficient additional responsibilities to justify their full-time employment, leaving them free to teach and earn extra income in the private HEIs. In addition, several of the HEIs are quite dependent on expatriate staff, with expatriate salaries totalling FRw 2.1 billion in 2004. These costs were transferred from the recurrent budget to the development budget for 2005 in a move to try to reduce the overall higher education budget, although the GoR was still financing these costs rather than an external donor, so this did not actually result in the reduction of the higher education sub-sector budget. If this is factored back into the recurrent budget, given that it is a recurrent cost and is financed by the GoR, then the higher education sub-sector will have seen a 24% increase in their overall budget between 2004 and 2005, at a time when it is supposed to be rationalising its costs.

4.3.3 Long-term financing framework for achieving UPE and EFA

In 2003, with assistance from the World Bank, MINEDUC started developing a long-term financing framework (LTFF) for the education sector. The main objective of this was for MINEDUC to define its long-term targets for the education sector, to see whether these targets were realistic, and to then put in place an LTFF outlining the likely cost of moving towards achieving the long-term targets and outlining the financing gap in getting there. At the same time, MINEDUC was working on developing the ESSP including a costed framework for ESSP implementation.

The ESSP financial framework and the LTFF have slightly different objectives and assumptions, meaning that they were not entirely consistent with each other for short- to medium-term projections. Thus during 2005, MINEDUC felt that it was important to have consistency between the MTEF, the ESSP and the LTFF, which was subsequently undertaken by developing a projection model that provides short-, medium- and long-term projections that are all internally consistent with each other. This was undertaken at the same time as updating the ESSP to ensure full consistency and the inclusion of all the latest policy developments.

4.3.4 Fee-free primary education: Introduction of the capitation grant

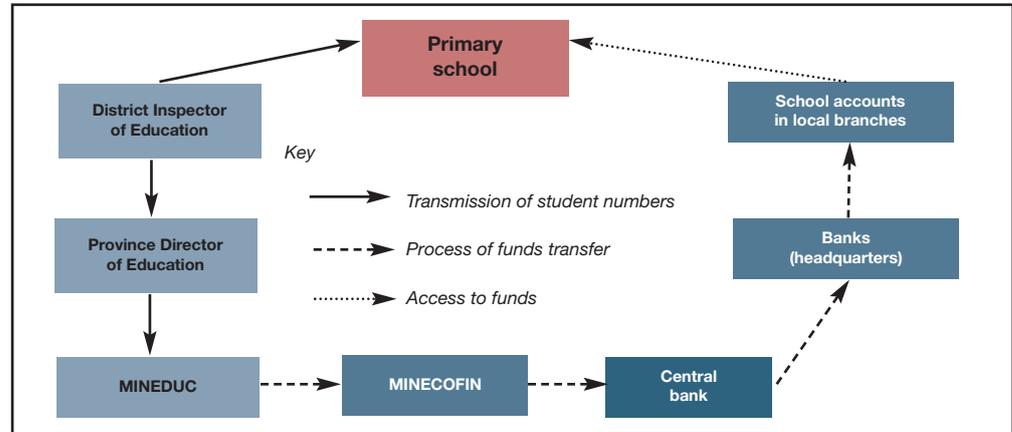
From September 2003, a capitation grant was introduced for primary schools to replace the FRw 300 per pupil that families were paying in school fees. During 2005, this figure was increased from FRw 300 to FRw 1000 per pupil, leading to a big increase in the primary budget between 2003 and 2005.

MINEDUC asked all primary schools to open a bank account and submit details so that a direct transfer could be made from MINECOFIN direct to schools to cover the capitation grant. Payments are made based on a report submitted from head teachers to District Inspectors detailing the number of pupils attending their schools. This report is then submitted to the Province Director of Education who passes it on to MINEDUC.

On the basis of the attendance figures in this report, MINECOFIN authorises the central bank (National Bank of Rwanda) to transfer the relevant amounts to the central offices of the main banks, who then transfer it on to the school bank accounts in the local branches. Diagram 1 below outlines the information and funding flows. Commission is charged by each of the local banks of FRw 500 for an amount totalling less than FRw 500 000, and at 2% for anything exceeding FRw 500 000 (Ndagijimana et al., 2004, p. 39).

“ around 90% of the total amount paid by MINEDUC actually arrived in the schools, and this loss of around 10% as well as the delays can currently be blamed on the banking system rather than any corruption in local government. ”

Box 4.7: Flow of information and funds for capitation grant



Source: Ndagijimana et al. (2004) p. 39

For each of the tranches in the 2003/04 academic year, there were respective average delays of 26 days, 18 days and 60 days between the date the payment order was made at MINECOFIN and the date the schools received the money (Ndagijimana et al., 2004, p. 43). Once the commission charges have been deducted, around 90% of the total amount paid by MINEDUC actually arrived in the schools, and this loss of around 10% as well as the delays can currently be blamed on the banking system rather than any corruption in local government.

Ndagijimana et al. (2004, pp. 44–45) discovered that the capitation grant is mainly used to buy chalk and pay for teaching materials, the promotion of sport and cultural activities, and minor repairs or maintenance. It is also sometimes used to pay the salaries of replacement teachers and to cover the transport costs of headteachers and school inspectors to go to meetings. As a result of the capitation grant, even though the amount is deemed insufficient by schools, 67% of headteachers stated that in 107 schools, an average of 72 pupils per school had been reintegrated during the 2003/04 academic year.

MINEDUC have also been discussing whether or not to make lower secondary education fee-free. From 2004, FRw 11 000 per day pupil and FRw 25 000 per

boarder was included in the budget in case this decision was made, which is why there was a significant increase in the secondary education budget during 2004. While no decision has yet been made on this policy of fee-free lower secondary education, this money has been used to increase access to lower secondary education in the new lower secondary schools.

4.3.5 Decentralisation and the financing of education

New District funding allocation criteria

The newly created Districts receive financing from five main sources.

- (A) Local Authority Budget Support Fund – a budget managed by MINALOC and transferred to Districts for salaries and operational costs at District level. Each District receives an allocation based on population, geographical size, an equalisation share, poverty ranking and performance.
- (B) Common Development Fund transfer – a budget managed by MINALOC and transferred to Districts for capital works. Each District receives an allocation based on population, geographical size, an equalisation share, poverty ranking and access to electricity.
- (C) Budget Support Fund – a budget managed by MINECOFIN and

transferred to Districts to pay salaries at 'Secteur' (sub-district) level.

- (D) Sector-specific transfers for health, education and good governance. These are funds budgeted for and managed directly by Districts to pay the salaries of health workers and teachers.
- (E) FARG – the Genocide Survivors' Fund, managed by MINALOC, and transferred to Districts.

In future, it may not be easy to track every last franc of education spending given these multiple sources of District financing and the likelihood that even more money will be decentralised from MINEDUC to District level (in 2006, MINEDUC still retained oversight for over 50% of the education sector budget). The only way money can be clearly followed is if any future transfer from MINEDUC constitutes an earmarked increase in D above. However, this will limit Districts' ability to make funding decisions on their own identified poverty reduction priorities if certain blocks of money are earmarked for education, especially if education performance in a given District is more advanced than health or agricultural performance there. Thus, it is more probable that any future increases in funding to Districts will be decided through routes A and B, with Districts having autonomy to decide how to spend this money in line with national priorities. This will mean that MINEDUC will have less of a financial monitoring role in education at decentralised levels, but a stronger role in ensuring improvements in educational outputs and outcomes.

4.3.6 The move towards sector budget support

As many of the education sector donors have bought in to the idea of a SWAp, there has been a growing realisation among several of the main donors⁶ that traditional projects are no longer the best way of supporting funding to the education sector in Rwanda. A large proportion of future financing for the

sector, excluding capital works, will be needed to help pay teachers' salaries, buy textbooks and maintain quality in schools. This need, coupled with the GoR's constraint in providing reliable cashflow in the first half of the year, has led this group of donors to explore the idea of providing SBS to the education sector to enable finances to be made available early in the year to help support the recurrent costs of expanding and running the education system. A new programme of support from these donors is currently being discussed under the title Joint Education Sector Support (JESS), with a pot of money being set aside to support capacity building in addition to the money flowing for service delivery.

Box 4.8: Future success or failure of sector budget support in Rwanda

The success or failure of the JESS programme will depend largely on: (i) the capacity within MINEDUC to plan, procure and spend money in a timely manner, showing it has the necessary absorption capacity to spend this additional money; (ii) the ability of the GoR to put in place functional monitoring and evaluation systems showing how this additional money (as well as its own resources) is being spent; and (iii) the discipline shown by the higher education sub-sector to control its budget and begin to make efficiency savings and reduce its overall share of the education budget.

4.4 Lessons learned

The main lessons learned under the RESSP regarding education sector financing are outlined here.

- (1) Progress developing an MTEF and financial systems in a given sector such as education has to go hand in hand with how progress is being made at national level on public finance management reforms. Where these reforms are slow,

⁶ DFID, Sida, the World Bank, and Belgium as existing education sector donors, but also joined by a new donor: the Netherlands.

“ *The introduction of a capitation grant to replace school fees in primary schools has dramatically increased access to primary schools, including the return of many pupils who had formerly dropped out of the system or maybe never even started.* ”

line ministries, however great their aspirations, can only go as fast as the speed at which national reforms are taking place. MINEDUC is held up as the lead ministry and sector in terms of policy development, strategic planning and budgeting. However, it can only continue to make progress at the same rate as national progress in public financial management management reform.

- (2) Support to public financial management reforms needs to look at all aspects of the budget process. The MTEF approach looks at the three main parts of the budget cycle – (i) preparation, (ii) execution, and (iii) monitoring and evaluation. In Rwanda, a lot of emphasis has been put on (i); a little on (ii), though this is still constrained by the cash budgeting system and a lack of predictability on the release of budget support; and very little attention has been paid to (iii). This means that the budget looks very good on paper, but there is no real understanding on whether that money is spent in each sector, whether it is spent on what it was planned for, and whether it has achieved a real difference in the sector.
- (3) Now that a serious programme of decentralisation and deconcentration has occurred under the new Territorial Administration Act, following the financial flows to the education sector will be more difficult. Thus trying to do long-term financial planning for the education sector in a centralised way is no longer going to be effective so more effort needs to be placed on developing bottom-up locally owned District education plans that follow national policy, strategy and targets for the education sector.
- (4) The introduction of a capitation grant to replace school fees in primary schools has dramatically increased access to primary schools, including the return of many pupils who had formerly dropped out of the system or maybe never even started. However, it has led to more overcrowded

classrooms with fewer quality inputs per pupil. The increase in primary capitation grants during 2005 and 2006 will help to address some of the quality issues in terms of getting more money to the school level where service delivery is taking place. However, issues of reducing the pupil–teacher ratio, building more classrooms and providing textbooks still remain critical and will not be covered by the recent increases in the capitation grant.

- (5) To successfully make progress in adopting a SWAp, all planners and policymakers in every sub-sector need to be involved from an early stage so that there is sector-wide ownership of the proposed plans and strategies. Due to staffing changes in the higher education sub-sector, and the autonomy of the HEIs, the higher education sub-sector never fully owned the reforms being proposed by the rest of MINEDUC, meaning that this has been the one sub-sector that has not aligned its budget and strategy with the rest of the education sector, causing difficulties in budget allocations.

4.5 The way forward

Table 4.5 below summarises the seven key challenges in education finance identified in section 4.2, defining the specifics of these challenges that were faced in the context of Rwanda. It then proposes potential solutions to these challenges.

While Rwanda faces challenges in all seven areas, ensuring that the budget remains balanced across the sub-sectors in the medium to long term (challenge 3); empowering the new Districts with capacity and authority to spend education budgets at local level (challenge 6); deciding what to do about fee-free lower secondary education (challenge 4); and putting in place monitoring and evaluation systems for the budget to ensure that money is actually spent (challenge 5) are the four main priorities for Rwanda.

Table 4.5: Key challenges to address and proposed solutions for Rwanda

Challenges	Rwanda context	Proposed solutions
1. Insufficient resources for the education sector	<ul style="list-style-type: none"> • Education receives 34% of domestic resources (around 5.2% of GDP in 2005 projected under the LTFF to rise to 6.5% of GDP by 2015). • Three factors affect the overall resources that GoR can access: (i) GoR's limited ability to collect additional taxes given the large share of the population dependent on agriculture; (ii) macroeconomic targets for the fiscal deficit in the International Monetary Fund (IMF) Poverty Reduction and Growth Facility (PRGF) programme; and (iii) availability of additional donor resources in grant form. 	<ul style="list-style-type: none"> • Presently the GoR has a relatively small fiscal deficit (inclusive of grants) so if additional aid flows in grant form are secured, this deficit could be increased using this new money to provide extra financing to both the education sector and other sectors.
2. Lack of predictability of aid flows	<ul style="list-style-type: none"> • Donors have provided around 70% of the capital works budget and over 30% of its recurrent budget in recent years (World Bank, 2005, p. 23) meaning that when aid flows are delayed, this has a serious impact on service delivery. 	<ul style="list-style-type: none"> • Address issues for late disbursements of aid ensuring that donors disburse aid on time. This is particularly important given the proposed JESS programme of sector budget support to education currently being planned.
3. Balanced sub-sectoral allocation of resources	<ul style="list-style-type: none"> • GoR is putting more emphasis on primary and lower secondary education, though higher education financing reforms have not been implemented as quickly as planned, leaving the higher education sub-sector inefficient and costly for the small number of students it is serving. 	<ul style="list-style-type: none"> • A medium-term higher education action plan is needed, implemented and monitored on a yearly basis and integrated into the ESSP. This will bring greater budget discipline to the sub-sector, enabling a true sector-wide approach to budget planning.

Challenges	Rwanda context	Proposed solutions
4. Fee-free education	<ul style="list-style-type: none"> GoR desires to see fees eliminated at lower secondary level but fees are currently quite substantial, mainly due to the issues of boarding and school feeding. The fiscal implications of abolishing fees for all students and replacing them with a capitation grant are enormous, particularly in the medium to long term as more children make the transition from primary to secondary schooling. Over 40% of places are currently provided by the private sector. What will happen to these places if fee-free education is introduced? 	<ul style="list-style-type: none"> A study needs to be undertaken to explore the medium- and long-term fiscal impacts of abolishing fees for all students, and proposing alternative scenarios for guaranteeing free access for the poorest and most vulnerable children while ensuring that the GoR can afford to sustain any fee-free policy and looking at the likely effects of this policy on private sector providers.
5. Public financial management systems	<ul style="list-style-type: none"> The cash budget system has hampered spending in the first half of the year. Much effort has been put into training staff in budget planning and preparation, with little focus on budget execution and even less focus on monitoring and evaluation of education expenditure. Financial and performance monitoring and evaluation systems have been designed, but are rarely implemented, with the only independent check on education spending coming from the Office of the Auditor General. 	<ul style="list-style-type: none"> If MINECOFIN prepares a regular cashflow plan for each ministry, this would enable ministries to prioritise and plan their spending in line with likely available resources. More focus needs to be placed on monitoring and evaluating education expenditure using the systems developed under the RESSP.

Challenges	Rwanda context	Proposed solutions
6. Decentralisation	<ul style="list-style-type: none"> While personnel and responsibilities for education service delivery have been transferred to the newly created Districts, over 50% of the education budget remains centralised under MINEDUC's control. 	<ul style="list-style-type: none"> More of the education budget will need to be deconcentrated so that as well as delegated administrative authority, Districts will have financial authority to spend on their own identified needs and priorities.
7. Absorptive capacity	<ul style="list-style-type: none"> The GoR struggles to spend recurrent and capital budgets at 100% level each year and it is not clear whether the education sector will be able to absorb significant additional resources and spend them in a timely 	<ul style="list-style-type: none"> The multi-sector capacity building fund, managed via the Human Resource and Institutional Development Agency, is likely to address some of these weaknesses in public financial management.

While Rwanda faces challenges in all seven areas, ensuring that the budget remains balanced across the sub-sectors in the medium to long term (challenge 3); empowering the new Districts with capacity and authority to spend education budgets at local level (challenge 6); deciding what to do about fee-free lower secondary education (challenge 4); and putting in place monitoring and evaluation systems for the budget to ensure that money is actually spent (challenge 5) are the four main priorities for Rwanda.

Chapter 5: The non-state sector

“ 115.4 million children in the 6–14 age group still remain out of school, 39% of whom live in Sub-Saharan Africa, and the percentage rate of throughput into post-secondary and higher education still fails dramatically to meet the respective demands of the populace and the labour market

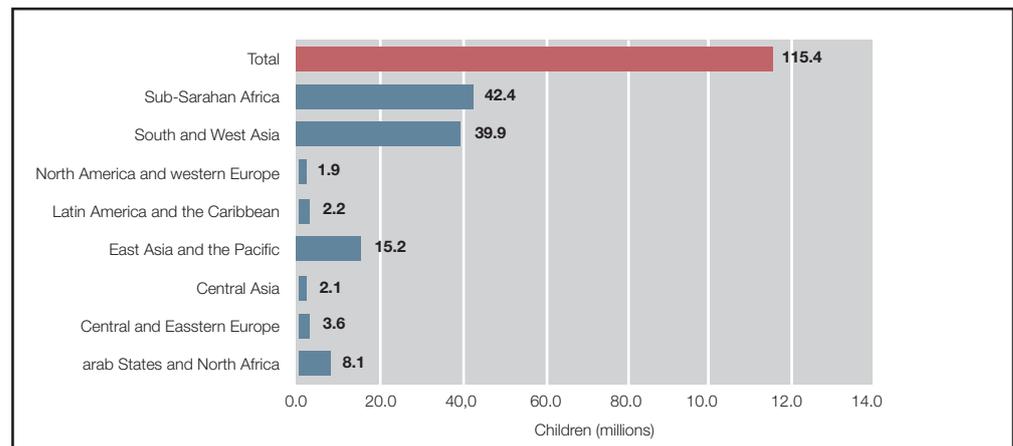
5.1 The access gap: Creating the context for partnership

The education sectors in most African countries have been recipients of substantial external investments along with increasing national allocations. While initially investments were targeted at specific projects, external funding has also begun to address sub-sectoral or systemic issues in education. Such national and international investments have led to significant and measurable increases in the provision of schooling. However, the unfinished agenda is enormous. There has indeed been considerable progress in child and adult literacy levels and there have been significant improvements in enrolments at all levels. But 115.4 million children in the 6–14 age group still remain out of school, 39% of whom live in Sub-Saharan Africa, and the percentage rate of throughput into post-secondary and higher education still fails dramatically to meet the respective demands of the populace and the labour market (UNESCO/UNICEF, 2005, p.17).

government funding and its provision of education. Certain failings are common across these large public administrations: they are slow in providing contextual and responsive education and their funding is not always targeted at the most deprived so that those that are able to take advantage of government provisioning are not among the poorest.

It is, therefore, an opportune time for the countries in the region to experiment with policy innovations. To date, most of their developmental expenditures and reform processes have been instigated through centrally sponsored schemes. The trend going forward should now be to deepen reforms and to develop contextual policy. Increasingly, governments are looking for policy options that can accelerate their progress towards achieving their stated education outcomes by engaging in greater partnership with the non-state sector or non-state providers – NSPs. To that end, policymakers need to have greater exposure to a range of experiences and

Chart 3: Number of primary-aged children out of school, 2001–02



Source: Data taken from UNESCO/UNICEF (2005), Table 1.1, p. 18

Although budgetary allocations have been increasing, there are significant shortfalls in the overall financing of education. Governments are the pre-eminent financiers and providers of education. But there are increasing concerns with the efficiency and effectiveness of

concrete evidence on workable options. Table 5.1 provides an indicative list of issues for such a discussion when considering how partnership can play a role in alleviating such overarching challenges as overcoming the burgeoning financing gap, ensuring free basic education for all and enabling greater decentralisation.

Table 5.1: Issues for discussion

Issues	Questions
Partnership	<ul style="list-style-type: none"> • What could be the expected benefits? • What are the main constraints and opportunities • How can NSPs be integrated into the planning process? • How can provision by NSPs support closer ties between education and economic development and livelihoods?
Provision	<ul style="list-style-type: none"> • Given the considerable pressures and inherent shortcomings of government, how can governments revisit their role in education? • How can plans be made for optimising the split between the public and private sectors in finance and provision?
Funding	<ul style="list-style-type: none"> • How does a government determine what it can do best and its responsibility for the poorest? • What measures are possible for improving the efficiency and effectiveness of government funding?
Roles	<ul style="list-style-type: none"> • Can private participation be steered towards specific levels of education, such as post-secondary and higher education? • How can the private sector contribute to designing education policies that are conducive towards livelihoods and that are market oriented?
Policy	<ul style="list-style-type: none"> • How can policymaking harness NSPs to make a valuable contribution to the country's national goals? • What could be an ideal way to develop a medium- to long-term agenda for the public-private mix at the different levels? • How can governments undertake more proactive policy measures and implement outcome-oriented measures that improve access for disadvantaged groups?
Environment	<ul style="list-style-type: none"> • How can an enabling environment (policy instruments) be created for private sector participation? • What partnerships can be foreseen for the private sector to provide educational services?

Sections 5.2 and 5.3 now consider some of these issues and challenges in greater detail.

“ the word ‘private’ has negative associations for many people, particularly in the context of the social sector. A more useful, encompassing and less controversial term is ‘non-state provider’ (NSP) which includes two broad categories – civil society and the private sector. ”

5.2 Issues to address and challenges faced

5.2.1 Defining type and scope of provider

An immediate issue to address is one of semantics since the word ‘private’ has negative associations for many people, particularly in the context of the social sector. A more useful, encompassing and less controversial term is ‘non-state provider’ (NSP) which includes two broad categories – civil society and the private sector. In the educational context, the former refers to the wide variety of organisations that are active in education yet not primarily motivated by profit. This includes community groups, parents’ associations and FBOs, just to name a few. Outside of education, it would include human rights and democracy groups, development NGOs, policy institutes, the media and many other community-based organisations (CBOs). These civil society groups are often viewed as the ‘third leg of the stool’ complementing the private and state ‘legs’.

However, even these formal delineations between state and non-state or non-state and private sector are often blurred, with many private sector organisations now delivering core services which were formerly the exclusive domain of the public sector and civil society groups, and some NSPs working in both the government and private sectors. Rather than trying to define and categorise each group given this blurring of roles, a more useful way forward is to identify those NSPs with whom we think it is useful to work in a given country, the rationale for this partnership and the appropriate way forward to make the partnership work.

Table 5.2 shows how any classification must cover a range of different models as evidenced by four very different types of education provider.

Box 5.1: Types of non-state provider

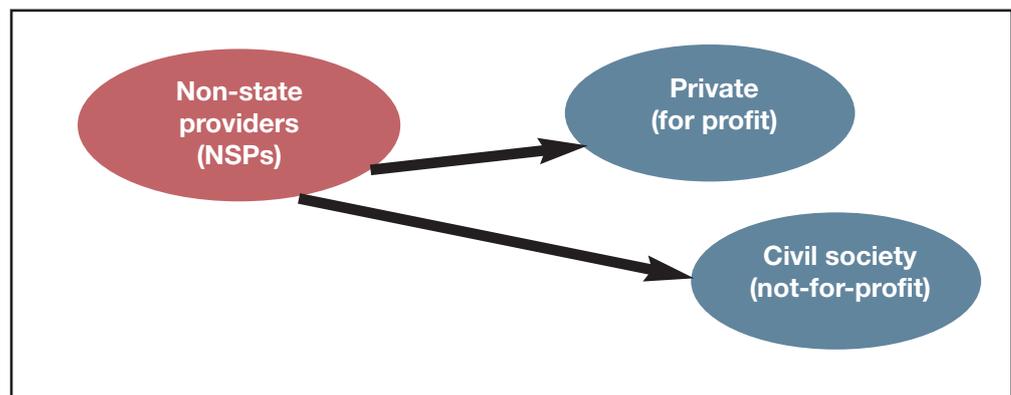


Table 5.2: Types and origins of non-state school providers

Type	Origin
Community	<ul style="list-style-type: none"> • Some schools developed from missionary schools • The majority of community provision emerged when communities wished to complete insufficient provision of public provision • Two models – creation of new schools and revitalisation of existing state schools
NGO	<ul style="list-style-type: none"> • Seek to influence state education policies • Boost access through the provision of formal and non-formal education (for example, the Bangladesh Rural Advancement Committee)
Faith-based	<ul style="list-style-type: none"> • Variety of categories, such as international private voluntary organisations, local FBOs, individual religious institutions (for example, in Malawi, Lesotho and Belize the Christian churches own and provide over 50% of the education provision)
Profit making	<ul style="list-style-type: none"> • Arose as a result of diversification or unmet demand • Usually serving middle and upper classes • Volume of the fee payment varies considerably from elite private schools to budget non-state schools

Source: Taken from chapter 4, theme 2 of an economic learning training programme prepared by CfBT Education Trust in 2006 for Save the Children UK.

Thus, given the diversity of NSPs and the aforementioned blurring of boundaries, this raises an important question regarding the capacity, will and understanding of the state to intervene and do things differently. This situation may be a significant determinant of policy since it may lead politicians and officials to keep the present arrangements in place rather than try out a new approach.

5.2.2 Defining partnership

Partnerships are very diverse, and there is no one concise definition, though a partnership can be best advocated by the following.

1. It is the formation of cooperative relationships between the government, profit-making firms and non-profit NGOs to fulfil the function of providing services where the government is unable to meet an increased demand due to capacity or

financial constraints.

2. It is a means of formalising and institutionalising flexible and collaborative arrangements whereby private and public provision of goods and/or services are not viewed as being in competition, but rather as complimenting each other.
3. It is not a means of privatising services in their totality and the government relinquishing control, but rather it is a mechanism for enabling critical objectives to be met through collaboration between the government and NSPs that could certainly not be met by either partner on their own.
4. It involves a sharing of responsibility and financial risk for both partners.
5. It is unique and can be challenging, in

“ the main challenge is to identify the role of government both in terms of what government should do, and in how it should do it. The decision should not be between whether the public or the private sector should bear full responsibility for a particular activity, but on how the two can best work as partners, complementing each other in the development effort.



that each partnership involves different levels and types of conflict of interest and different ethical responsibilities.

Further, a partnership exhibits the following key characteristics: (i) common objectives – the partnership is undertaken for the purpose of implementing objectives that have been agreed to by the groups involved, and which are then developed through a process of communication that is acceptable to all actors involved – partnership understood here is a joint investment for the production of a shared value; (ii) an agreement to undertake the activities; and (iii) the activities undertaken build on each other’s strengths and overcome weaknesses.

5.2.3 Key components in a public-private partnership

Having appreciated the difficulties inherent on agreeing upon a definition of ‘private’ and ‘partnership’, we now consider the key issues that emerge when trying to embark upon a public-private partnership (PPP) approach. These issues can be categorised across the three main components of any partnership – policy, governance and finance.

Policy

Behind the strategy for the public sector,

the main challenge is to identify the role of government both in terms of what government should do, and in how it should do it. The decision should not be between whether the public or the private sector should bear full responsibility for a particular activity, but on how the two can best work as partners, complementing each other in the development effort. Yet embarking upon a reform that embraces partnership as a means for improving outcomes will require changes to the laws or regulations, and underpinning the intent of any new legislation will require addressing three critical issues: (i) increasing opportunities in resources for the underserved; (ii) increasing opportunities in performance and achievement for the underserved, especially those correlated with poverty and gender; and (iii) targeting investments to improve performance.

The difficulty of addressing these policy issues is highlighted in the Rwandan case and its legislation of provision in the basic education sector. While the NSPs make a considerable contribution to the primary and secondary education sectors the GoR has to use very different policy instruments in order to manage the different types of NSP, as shown in table 5.3 below.

Table 5.3: Policy Instruments and the two types of non-government provision

Type of provider	Provision	Regulation	Ownership	Funding
Libre subsidié	GoR provides teaching staff based on its assessment of teaching needs and it provides syllabus and curriculum	GoR regulates the schools but there is also internal FBO regulation	GoR has no ownership of the schools or the land	GoR provides some funding for capital works, provides teachers’ salaries and certain foodstuffs
Private unaided	GoR provides syllabus and curriculum but no provision of teachers or teaching and learning materials	GoR regulates	GoR has no ownership of the schools or the	GoR does not provide any financial support

“ *The main challenge to the public sector is the political nature of reforms required to reshape service delivery in a more efficient way involving partnerships.* ”

Governance

Transition is not a unidimensional phenomenon that is simplistically captured or suggested by catchwords such as ‘from state to market’. Similarly, the major public issue is not for or against non-state provision but rather the form of this provision and what kind of potential beneficiaries there should be. Within the educational perspective, the driving issue is raising the levels of student achievement – setting standards and teaching students to those standards. Reflecting this student achievement goal, the education policy and programme issues are what curriculum, mode of instruction, incentive, capacity development, organisation and management strategies are required to produce the determined level of achievement.

Any emphasis on decentralised modes of delivery that focus closer to the community and the local schools again raise difficult questions, such as: (i) what degree of reliance can be placed upon the NSPs as they use public funds in the delivery of a public service? And (ii) what manner of quality assurance function and monitoring agency are required?

Under any programme of decentralisation, central government requires personnel and systems with which to monitor the performance of local governments, thus posing two additional questions: (iii) what degree of support is required to monitor the local regulatory system? And (iv) what is an acceptable yet sufficient operational budget to support this system of monitoring and regulation? Finally, within the parameters of the partnership, the private sector should have certain mandated responsibilities for regulating its own membership and, perhaps more controversially, the opportunity to assist the public sector in monitoring and assessing performance in the public sector.

Finance

There are two related finance issues: first,

to decide on the appropriate level of funding for the partnership; and second, to ascertain the most appropriate strategy to follow linked to the funding for the partnership. In order to do this, it is critical that the government decides on the basic unit cost that should be spent on teaching the average student to the necessary national standard, and then identifies the additional costs involved in, for example, the targeting of low-income families and the extra support needed to teach students with special educational needs.

Thus from a policy perspective, it is important and necessary for the government to decide on whether to apply subsidies, at what level of education (pre-primary, primary, secondary or continuing education), and to whom. This will involve defining clear criteria for provision according to the following categories:

- merit: targeting the best-performing students;
- poverty: targeting the poor, vulnerable and needy;
- efficiency: ensuring the optimum use of funds for the achievement of agreed quality outcomes;
- access: supporting the growth of the public and private sectors in their mission to universalise access and fill in the existing gaps in provision.

In addition, it is critical that parents, students and the wider public receive transparent information so that they can measure whether the public and private sectors are performing according to their targets and adhering to their set roles.

Challenges against the development of PPPs can be viewed from three perspectives: (i) the public sector, (ii) the lending agencies and (iii) civil society and the private sector.

5.2.4 The public sector

The main challenge to the public sector is the political nature of reforms required to reshape service delivery in a more efficient

way involving partnerships. Strongly linked to this is the low capacity of government at both policy and operational levels to develop and implement partnerships in a holistic and sustainable manner. Box 5.2 provides a summary of some of the key capacity weaknesses:

Box 5.2: Constraints to partnership

- The cost and quality to enable decisions about what services to contract and how to negotiate these contracts
- Absence of budgetary frameworks and financial control mechanisms for use in monitoring expenditure against plans
- Performance indicators to permit monitoring
- Clarity about the responsibilities of organisations within the ‘task network’
- Opposition by public service unions
- Weakness of NSPs to compete for contracts
- Distrust between the government and NSPs
- Corruption and non-transparent tendering
- Centralised bureaucratic systems that limit the freedom of managers to make or influence contracts

Source: taken from chapter 4, theme 2 of an economic learning training programme prepared by CfBT Education Trust in 2006 for Save the Children UK

5.2.5 Lending agencies

While as outlined above, there is often a lack of commitment from the public sector, even if this were to change, it is unclear whether the government will receive policy advice, support and an objective introduction to alternative funding partnerships from the lending agencies. Why is this the case and private participation in the social sectors not championed more strongly? A number of reasons are posited: lack of resources, lack of a sufficient knowledge base and different ideological positions. The amount of money to be disbursed is either comparable to or less than a traditional

loan but it will be more complex to process and regulate and the project manager involved will be operating in an unknown area. Further, it is much easier to disburse an infrastructure loan and remain within the project pipeline structures through adherence to well tried mechanisms than to develop and trial an innovatory policy loan, especially a loan in which there is on-lending from the lending agency and national government to the private sector. Box 5.3 provides a recent example of a PPP financed by the International Finance Corporation (IFC).

Box 5.3: International Finance Corporation support for private education

IFC has engaged with the Trust Bank of Ghana to support their lending to the private sector schools sector in Ghana, through a partial credit guarantee on a future portfolio of school loans. To support this investment, IFC is implementing a multi-component TA programme. This programme includes: (i) school level diagnostics, business planning and other services, given directly to the schools in the programme; (ii) improvement of the operating environment for private schools, including the ability of the schools’ associations to advocate on behalf of their members, and improving the public perception of private schooling; (iii) delivery of a series of workshops addressing the critical areas of operating a private school; (iv) development of a set of manuals based on the content and case studies of the workshops; (v) development of a sustainable delivery model for the content of the manuals; and (vi) the training of trainers for the delivery of the manual content.

5.2.6 The non-state sector

There are a number of constraints facing the non-state sector: (i) social areas such as education are not usually a focus for lenders and bank loans, leading to a lack of access to bank credit for many educational organisations, exacerbated in part by the undeveloped and

unpredictable nature of the banking sector in many developing countries; (ii) similar to the public sector, there is low capacity and a shortage of adequately skilled and qualified professionals; (iii) NSPs often have difficulty accessing land and infrastructure for capital development; (iv) many users of education services are unable to pay the fees that the non-state sector has to charge to break even; (v) NSPs face bureaucratic procedures for formal registration, leading many of them to operate on provisional certificates or on an unregistered basis.

Box 5.4: Examples of a pilot PPP programme in Kenya

The MoE is considering some different options for the construction of 65 new primary schools under the Kenya Education Sector Strategy Plan. These options include: (i) standard MoE construction; (ii) contracting to the private sector for the design and build of the infrastructure; (iii) contracting for design, building and operation of the non-educational aspects of the primary schools over a 10–15 year period; and (iv) design, building and operation of all services.

Despite these challenges, the private sector is very active in several African nations, as shown in chart 4 below.

Section 5.3 now considers some of these issues and challenges from the perspective of the education sector in Rwanda.

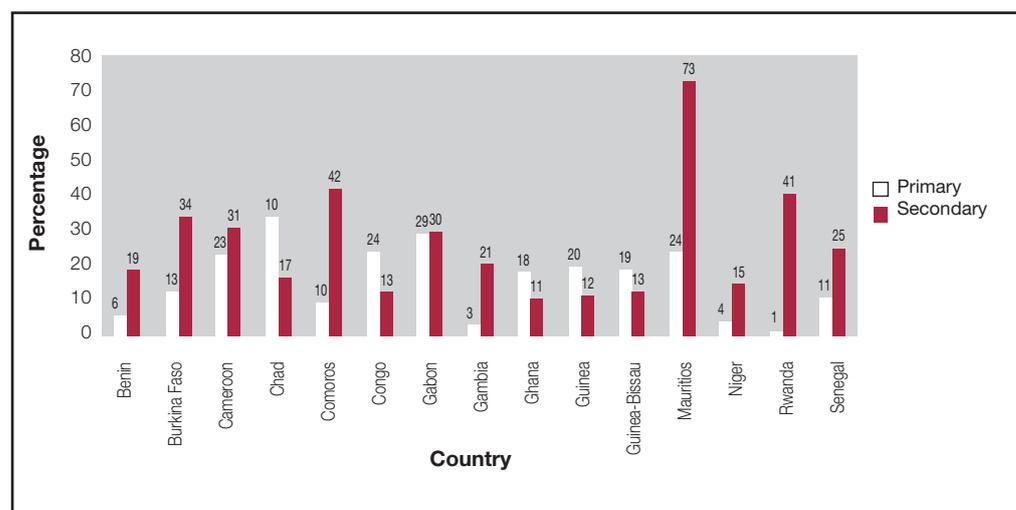
5.3 Specific context and interventions in Rwanda ⁷

5.3.1 Basic education: Allocation across providers

The GoR defines basic education as nine years of education: six in the current primary cycle, and three in the current lower secondary cycle, though there are tentative plans to merge these two cycles as GoR policy is to move towards universalising basic education for all children.

The non-state school sector is well established in Rwanda at basic education level. There are four main groups of NGOs and individuals directly involved in managing schools in the education sector: (i) parents and communities; (ii) NGOs, including CBOs; (iii) private schools established as not-for-profit organisations; and (iv) the FBOs. Those that are government assisted are referred to as *libre subsidié*, while those that receive no direct government

Chart 4: Private enrolment as a percentage of total enrolment for selected Sub-Saharan African countries, 2002–03



Source: UNESCO (2005), pp. 380–382

Data for Rwanda refers to the 2005 academic year and includes only fully private schools, not *libre subsidié*.

⁷ Under the RESSP, three consultancies were provided to explore deepening and formalising partnership between the non-state and state sector at the lower secondary and higher education sub-sector levels.

“ At lower secondary level, the non-state sector provided 68% of all places, 31% in libre subsidié schools and 37% in fully private schools,

”

funding of teachers are referred to as fully private. Many of the FBO schools fall into the libre subsidié category.

Table 5.4: Percentage of government and non-government provision by type

2005	Primary	%	Secondary	%
Schools				
Public	601	26%	184	33%
Libre subsidié	1627	71%	153	28%
Private	67	3%	216	39%
Total	2295	100%	553	100%
Enrolments				
Public	5 535 158	29%	60 794	28%
Libre subsidié	1 303 491	70%	67 613	31%
Private	19 192	1%	90 110	41%
Total	1 857 841	100%	218 517	100%
Teachers				
Public	8408	29%	1,978	26%
Libre subsidié	19 933	69%	2,632	31%
Private	692	2%	3,270	43%
Total	29 033	100%	7,610	100%

Source: Data taken from MINEDUC (2006a) and MINEDUC (2006b)

In 2005, a total of 74% of all primary schools were registered as non-state schools: 71% were libre subsidié, mostly operated by FBOs, and 3% fully private. These schools provided 1.32 million or 71% of all school places for primary-aged children. While teachers employed in the libre subsidié schools were paid for by the government, those in fully private schools were paid for without direct government support.

Many secondary schools offer both lower and upper secondary education in the same

buildings with the same teachers teaching both cycles. Of a total of just over 550 secondary schools, 369 (67%) are non-state schools. At lower secondary level, the non-state sector provided 68% of all places, 31% in libre subsidié schools and 37% in fully private schools, showing that while the size of the non-state sector is similar in the primary and secondary sub-sectors, the fully private sector is much more significant at secondary level than it is at primary level.

Table 5.5: Public and non-state provision of primary and secondary education

2005	Primary	%	% Girls	Secondary	%	% Girls	Lower Secondary	%	% Girls
Schools									
Public	601	26%		184	33%		Classes	970	32%
Libre subsidié	1627	71%		153	28%		Classes	982	32%
Private	67	3%		216	39%		Classes	1087	36%
Total	2295	100%		553	100%		3039	100%	
Enrolments									
Public	535 158	29%	51%	60 794	28%	41%	46 350	33%	43%
Libre subsidié	1 303 491	70%	51%	67 613	31%	44%	43 943	31%	47%
Private	19 192	1%	49%	90 110	41%	54%	51 916	37%	53%
Total	1 857 841	100%	51%	218 517	100%	47%	142 209	100%	48%

Source: Data taken from MINEDUC (2006a) and MINEDUC (2006b)

“ private schools are focusing their work in rural communities where access is very low rather than just in towns and cities where high fee levels can be charged. ”

5.3.2 Basic education: Regional distribution and type of pr

As noted above, the FBOs own and run many of the libre subsidié schools at both primary and secondary level. There are two main providers at primary level owning over 90% of the schools – the Catholic group (SNEC) and the Protestant group (CPR) (World Bank, 2004, p. 92). At secondary level, in addition to these two groups, there is a third category which includes other faith-based schools such as those run by the Islamic Foundation and the Seventh Day Adventists.

At the primary level, there has been little growth in recent years in the small share of education provision from the fully private sector. However, at secondary level, the fully private sector has been consistently providing at least 40% of all secondary places. Across the country, in some areas including the capital city, the fully private sector is the largest provider of places at lower secondary level, while in other areas the libre subsidié or public sector provides more places. This shows that while fully private provision at secondary level is significant, there is wide variation across the different parts of the country (Latham and Colgan, 2003).

Given that the majority of the population live in towns and villages outside of the capital, it is to be expected that educational provision is much higher in rural areas than in urban areas. An interesting observation is that this trend is not only the case for public and libre subsidié schools, which would be expected, but also includes private schools, showing that many of the latter are focusing their work in rural communities where access is very low rather than just in towns and cities where high fee levels can be charged.

5.3.3 Basic education: Gender

There is near gender parity in access to primary and lower secondary education with 51% of all primary pupils being girls, and 48% of all lower secondary students being female. There is not much variation between providers across primary schools; however, what is interesting is that the private sector enrolls a higher percentage of girls than boys in most of the lower secondary schools across the country. Table 5.6 below outlines the main reasons why girls and poorer students are more likely to access private secondary schools.

Table 5.6: Reasons why the poor and girls are more highly represented in private schools

Girls	Poor and needy
<ol style="list-style-type: none"> 1. Most private schools are nearer households and are day schools so they reduce the opportunity costs of girls attending school — these are greater than those of boys, due to household tasks. 2. Performance of girls is lower than that of boys in the primary school leaving examination, so fewer girls become eligible for the limited public school places. 3. Some parents fear sending their girls to boarding schools due to different kinds of abuse that are more likely to occur when they are sleeping away from home. 	<ol style="list-style-type: none"> 1. Most private schools are nearer households and are day schools so they reduce the opportunity costs of the poor and needy – these are greater than those of the non-poor, due to the burden of caring for younger siblings (especially child-headed households), finding food, etc. 2. Performance of the poor and needy is lower than that of the non-poor in the primary school leaving examination, so fewer poor and needy children become eligible for the limited public school places. 3. The FARG acts as a safety net for those who are poor or orphaned for genocide-related reasons. FARG will support the full cost of school fees even for those who have not passed the primary school leaving examination, meaning that the majority of these children are in private schools.

Source: Latham and Ndaruhutse (2004), table 5

“ Given the significant 37% of enrolments that are in fully private schools at lower secondary level, it is important to consider the impact that the abolition of fees would have on access to lower secondary education.

”

By contrast, the public sector enrolls a higher percentage of boys than girls in nearly all regions of the country. While day schools are on the increase, the majority of places at lower secondary level are still in boarding schools, thus the gender inequalities across different regions of the country do not necessarily reflect a lack of access for girls in those areas, but are instead a result of the central allocation of students by gender to schools across the country.

5.3.4 Cost of providing fee-free basic education

One of the recently developed GoR policy debates concerns the provision of fee-free basic education. Primary school fees were abolished during 2003, but fees still remain at secondary level, though there is an ongoing discussion within MINEDUC about if and when to abolish fees in the lower secondary cycle, and what the financial implications of such a measure would be.

Given the significant 37% of enrolments that are in fully private schools at lower secondary level, it is important to consider the impact that the abolition of fees would have on access to lower secondary education. While fully private schools technically receive no funding from the

GoR, the reality in 2004 was that approximately 80% of all of the FARG money supporting lower secondary education was paid to support students in private schools (Latham and Ndaruhutse, 2004, p. 20). This support covered school fees, uniform costs, transport to and from the school and basic materials. Thus while all private schools received no direct support from the GoR for their buildings, staffing and running costs, the reality is that many of the schools are receiving a significant GoR subsidy from money paid to support students through the FARG. A similar but significantly smaller fund, the DEF exists at District level to support poor and vulnerable children including orphans but is channelled exclusively to public and libre subsidié schools.

This means that any consideration of abolishing fees needs to consider the current levels of financial assistance provided by these two funds, since they subsidise either partially or fully a significant number of lower secondary school places. In addition, due to the limited supply of places in public secondary schools, in 2003 the GoR actually directly bought a number of places in private secondary schools to meet excess demand.

Table 5.7 shows the annual cost to the GoR in 2004 for all these different interventions.

Category of pupil	Government Contribution to Fees	Parental Contribution to Fees	Total Cost
Day pupil who has no midday meal at school	FRw 35 500	FRw 13 500	FRw 49 000
Day pupil who has midday meal at school	FRw 44 404	FRw 17 300	FRw 61 704
Boarding pupil who has all meals at school	FRw 49 000	FRw 21 000	FRw 70 000
DEF-supported pupil	FRw 21 000	0	FRw 21 000
FARG-supported pupil	Maximum FRw 120 000	0	Maximum FRw 120 000

Source: Latham and Ndaruhutse (2004) Table 6

“ higher education was taking up nearly 40% of the overall education budget by 2000 while serving under 0.5% of the population. ”

Clearly, universal fee-free basic education would be an ideal way forward to increase access to the nine-year cycle of basic education. Yet table 5.8 below illustrates the significant cost of subsidising 100% of all places: this is totally beyond the affordability of the GoR.

education system has developed rapidly and in a flexible way by: (i) the development of different institutions offering a variety of courses, thus allowing healthy competition and diversity as each institute tries to adapt its teaching programme to match the needs of the

Table 5.8: Estimated cost of fee-free tronc commun to GoR

Pupil numbers	2004	2010	2015
Public and LS	77 996	209 320	379 518
Private	53 431	91 618	94 880
Total	131 427	300 938	474 398
Estimated Fees*	Assumptions about fees and % of boarders/day pupils		
Public and LS	Boarder: FRw 21 000 per year Day pupil: FRw 13 500 per year 2004: 80% boarders, 20% day pupils; 2010: 40% boarders, 60% day pupils; 2015: 10% boarders, 90% day pupils		
Private	Assume all day pupils Minimum cost: FRw 70 000 per year		
Estimated Cost	2004	2010	2015
Public and LS	FRw 1.52 billion	FRw 3.46 billion	FRw 5.41 billion
Private	FRw 3.74 billion	FRw 6.41 billion	FRw 6.64 billion
Total cost to GOR of 100% subsidisation of places only	FRw 5.26 billion	FRw 9.87 billion	FRw 12.05 billion
<i>Total budget projections for lower secondary education (including salaries, running costs, feeding, quality, etc.)</i>	<i>FRw 4.47 billion</i>	<i>FRw 11.01 billion</i>	<i>FRw 22.0 billion</i>

Source: Latham and Ndaruhutse (2004), Table 8

*The figures used for all types of school fees are at the low end of the spectrum. Many schools, especially private ones, but also libre subsidié and public schools, charge considerably more even now.

5.3.5 Higher education: Context

Rwanda has seen a mushrooming of growth of and diversification in its higher education sub-sector since the genocide. This has been driven by both a strong demand among young people to access higher education, and the widespread scarcity of qualified graduates needed in both government and the private sector in the aftermath of the genocide. The higher

labour market; and (ii) the practical approach of institutes using both expatriate and visiting lecturers to deliver courses. This has meant that the system remains able to respond to changes in an environment that continues to evolve.

One of the main challenges facing the sub-sector is its continued expansion in a fiscally sustainable way, since higher education was taking up nearly 40% of

“ *The PrHEIs thus rely nearly completely on fees to cover their operating costs* ”

the overall education budget by 2000 while serving under 0.5% of the population. This was largely due to the opening of several new public HEIs (PuHEIs) in the late 1990s, which needed significant startup costs as well as ongoing running costs. The GoR has accepted that to reach its target of reaching 1% of the population by 2015, it will have to partner with the already active private higher education sub-sector and mix government finance with private delivery and private ownership of a significant proportion of the overall provision of higher education.

5.3.6 Higher education: Size and nature of the private sector

beginning of 2005, the 14 PrHEIs were at different stages of accreditation by the GoR. Only two had full status, five had the convention, and seven or half of them were operating without confirmed authorisation from MINEDUC. As a result, three were closed at the end of 2004 pending meeting the minimum requirements for registration, and one PrHEI was asked to change its designation from University to Polytechnic (Latham and Ndaruhutse, 2005, pp. 8–9). There is a wide diversity among PrHEIs with some operating as regional colleges with only two or three faculties; others operating as urban universities; and still

Table 5.9: Public and private HEIs, enrolments and institutions, 2004

Institutional type	Institutions		Enrolments		Females	
	Number	%	Number	%	Number	%
Total public sector	6	30	14 456	52.8	4239	29.3
Total private sector	14	70	12 936	47.2	6564	50.7
Total	20	100	27 392	100.0	10 803	39.4

Source: Data taken from Latham and Ndaruhutse (2005), tables 1 and 2

In 2004, the private sector had a 47% share of higher education provision in Rwanda. At the beginning of the year, there were 14 456 students enrolled in 14 different private sector HEIs (PrHEIs). The PrHEIs on average have achieved gender parity in access with a majority of female enrolments in institutes based in Kigali, while the public sector providers remained far behind, enrolling less than 30% female students.

While PrHEIs can be found in various different parts of the country, over 60% of enrolments in 2004 were in or around Kigali. All PuHEIs are secular, while 64% of the PrHEIs were sectarian although most of them enrolled students irrespective of their denomination or beliefs. Of the 14 PrHEIs, five were Catholic, three Seventh Day Adventist and two Protestant. At the

others acting as stand-alone institutes with external accreditation. Despite this, the most common enrolment discipline in 2004 in the PrHEIs was economics and management.

5.3.7 Higher education: Fee levels

The PrHEIs, similar to their counterparts at school level, do not receive any direct government funding yet serve a wide range of clients. Most of them offer some scholarships or fee exemption programmes to poorer students, and a few students are supported by the FARG or by other philanthropic assistance. The PrHEIs thus rely nearly completely on fees to cover their operating costs. Two main types of fee are charged – a tuition fee per academic unit, and additional fees to cover registration, library use, or other

“ *there may well be an insufficient supply of qualified staff to lecture the existing cohorts of students passing through public and private HEIs, which suggests that the GoR needs to develop a proactive human development strategy to meet the projected increase in student enrolments* ”

expenses such as laboratory equipment, sporting events or examinations. Fees appear to be reasonably standard and consistent across the different institutes with tuition fees varying between FRw 120 000 and FRw 200 000 per annum.

5.3.8 Higher education: Staffing patterns

Accurate data on staffing patterns in PrHEIs is difficult to access, but one trend that can clearly be seen is that in order to meet their staffing needs, the PrHEIs are employing large numbers of lecturers currently employed to lecture in the PuHEIs. This has the following main impacts on the sub-sector: (i) GoR is currently indirectly subsidising the staffing needs of the PrHEIs; (ii) lecturers in PuHEIs may not be meeting their professional and contractual commitments in PuHEIs given the time they are spending lecturing on a part-time basis in PrHEIs, thus having a potential negative impact on course development and research; and (iii) both PuHEIs and PrHEIs are following the same curriculum for many courses, which while ensuring some continuity across the sub-sector, is possibly limiting the variety of course options available to students, and stifling innovation.

These observations indicate that there may well be an insufficient supply of qualified staff to lecture the existing cohorts of students passing through public and private HEIs, which suggests that the GoR needs to develop a proactive human development strategy to meet the projected increase in student enrolments that are likely if the GoR is to reach its 2015 target of having 1% of the population accessing higher education of an internationally accepted level of quality. This will require the GoR to work in partnership with the PuHEIs and the PrHEIs in developing, planning and financing such a strategy.

5.4 Lessons learned

This analysis of the non-state sector in Rwanda has revealed some significant findings with respect to possible options for using greater participation from the

non-state sector in supporting the GoR to meet its EFA and MDG targets. From the perspective of the basic education sector, in 2005 37% of all lower secondary students were enrolled in the private sector with a further 31% in the libre subsidié schools. Girls and the poor were more highly represented in private schools. Significantly, in 2004, at least 33% of lower secondary places in all types of school were partly or fully subsidised with a significant number of these being in fully private schools (Latham and Ndaruhutse, 2004, pp. 12–13, 20). From the higher education perspective, the sub-sector is small at present yet the pressure to expand is mounting as more students complete their secondary schooling and as the labour market requires a better-trained workforce. Thus management of this sub-sector's expansion in a fiscally sustainable manner across the public and private sector providers is a critically important policy issue if the GoR is to reach its policy target of 1% of the total population having access to higher education by 2015.

Presently, the NSPs in Rwanda are clearly playing a very significant role, particularly in the provision of post-primary education. If the strategy is to maintain and perhaps even expand, what are some of the key constraints facing NSPs?

Table 5.10: Key constraints to partnership

Area	Constraint
Access	<ul style="list-style-type: none"> • Variety in household ability and willingness to pay for education • Variation in effective local initiatives for starting education institutions • Difficulties experienced in accessing finance to provide classroom places
Quality	<ul style="list-style-type: none"> • Difference in state contributions for supporting inputs to private schools (for example, GoR funding all inputs in public schools, GoR funding teachers' salaries, textbooks and pupil fees in libre subsidié schools, but only school fees in a proportion of private schools) • A large segment of the private sector's catchment comprises pupils who have failed the entry examination into either lower secondary or university • Lack of qualified staff available for hire • Unequal availability of teaching staff across the provinces • Lack of assessment systems to monitor quality of performance by NSPs
Equity	<ul style="list-style-type: none"> • Differences across regions of the country in the social context and market for private sector schooling • Inequitable distribution of public subsidies across the three types of providers
Finance	<ul style="list-style-type: none"> • Small size of institutions (fewer than 400 pupils) militate against taking advantage of economies of scale in service delivery • Wide range of course offerings ensures low enrolments • The cost of delivery of lower secondary education is 3.5 times as high as the corresponding costs at the primary level • Lack of access to credit from the local banking sector for private NSPs • Slow disbursement of subsidies to cover students' fees from funders • Considerable mobility of those students who pay their own fees

Source: Based on findings of Latham and Ndaruhutse (2004, p. 16)

5.5 The way forward

5.5.1 PPPs: Hype or hope?

The answer as to whether PPPs offer hope or are merely hype will probably continue to be decided on the basis of values and political might rather than on the basis of any substantial evidence as to which is 'superior'. However, regarding

PPP experiments and experiences in the context of cost and quality, performance, equity, access and accountability, we can draw the following observations (taken from chapter 4, theme 2 of an economic learning training programme prepared by CfBT Education Trust in 2006 for Save the Children UK):

“ : Authentic partnering involves close collaboration and the combination of the strengths of both the private sector (more competitive and efficient) and the public sector (responsibility with accountability vis-à-vis society). ”

Theory versus Practice: Authentic partnering, in theory, involves close collaboration and the combination of the strengths of both the private sector (more competitive and efficient) and the public sector (responsibility with accountability vis-à-vis society). But anticipating success or failure in advance of implementing the partnership is difficult and monitoring partnerships for impact and performance over time is critical.

Cost and quality: Private provision is possibly more cost effective than public provision but arguably this cost advantage is lost once the externalities of monitoring and regulating of private provision are factored in.

Equity and access: Assessments of the performance of partnerships on equity are mixed: the only clear point perhaps is people's expectation and perception that the public sector is more equitable. This lack of clarity is further complicated by the question as to whether or not equity concerns are less of a problem when the partnerships involve public not-for-profit providers rather than public for-profit providers.

The vulnerable population: There is currently insufficient evidence to support the case that the difficulties of vulnerable populations with regard to access and equity are ameliorated within the non-state environment. This is a case where societal values regarding policy should take precedence over a strict cost calculation. Further, there is consensus that there is a vulnerable population for which protective government measures are necessary.

Regulation: Evidence to date indicates that PPPs do not seem to reduce regulation since the role of the government has changed to become both a partner in the provision of services and the monitor of the marketplace. Will we ever be able to determine the degree of regulation that is required to assure fair competition between private and public service providers?

Accountability: The partners must be accountable if they are to fulfil their policy objectives successfully since the basic provision of education is an essential service. Again, however, there is no specific solution to the accountability challenges, although there is a clear trend that indicates that the partnership must be structured, with partners receiving specific responsibilities, incentives and resources.

Conflicts of interest: The rationale for embarking upon a partnership is that the two complement one another and are strengthened through combination. But how can one best align the interests of the NSPs (private capital and returns on investment, attaining a corporate goal, anticipating competitive developments, taking risks) and the interests of the public sector (legislation and regulation, political opinion, minimising risks and attaining a social goal)? Again, the trend shows that partnering for a policy goal is most likely to minimise the conflicts of interest, most particularly when the terms of the partnership are designed to fulfil public objectives, within the limits of available public resource constraints.

5.5.2 Options for and approaches to partnership

There are four main options for future partnerships.

1. Abolish the idea of partnerships and banish all NSPs.
2. Continue the status quo, recognising the existence of NSPs but having little contact with them.
3. Consider greater public-private engagement and undertake evidence-based research.
4. Provide financial and knowledge-based support to both the public and the private sectors to work towards a framework for increased partnership.

The last two options support a proactive engagement policy, but this will require the government and/or lending agencies to agree a coherent policy position on PPPs and a way forward for monitoring the

“ There is no one best practice model for a successful PPP, as it will depend strongly on country context. . ”

NSPs’ contribution in terms of legislation, finance, standards and equity concerns. There are key issues to address in support of any proactive supportive strategy, such as those highlighted in box 5.5.

Box 5.5: Key issues to address for proactive supportive strategy of NSP

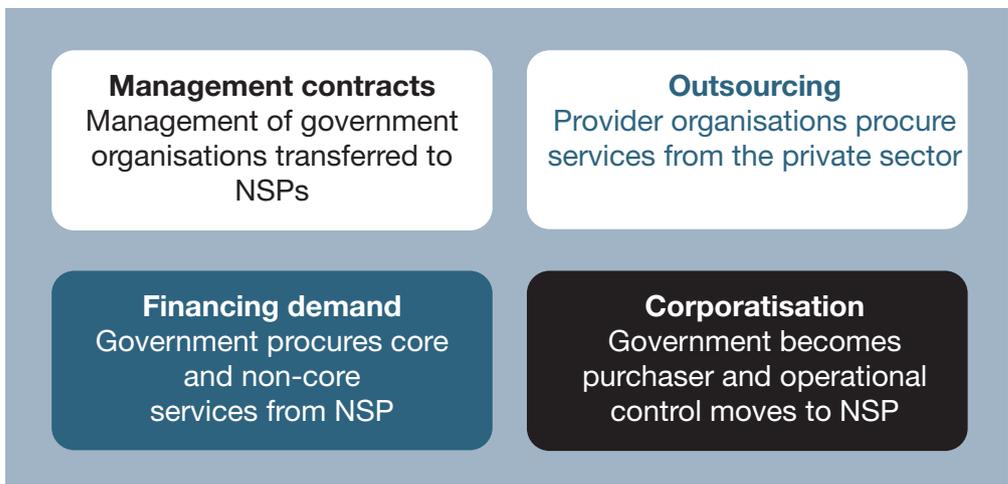
- The need to incorporate the main features of the public–private mix into the strategies and policies of the funding agencies
- The development of work programmes that include well defined targets on establishing the mix (i.e. design of the new agreement on an education development strategy and a policy investment framework)
- Specification of operational plans that detail new forms of joint undertakings, especially with regard to the negotiation process
- The need to identify of a facilitator to drive the new partnership approach, a position possibly best played by a funding agency representative
- An appreciation that cultural factors are important in determining how the finance and management system will develop

There is no one best practice model for a successful PPP, as it will depend strongly on country context. It is also important

that public intervention is not seen solely as public provision, nor that privatisation implies only the total sale of public assets to private entrepreneurs. What is clear is that fiscal constraints, the growing cost of providing quality education and the poor performance in educational achievement are propelling the force of the partnership wave. Many developing country governments are realising that they cannot finance their current service provision adequately, let alone afford to expand provision in light of the MDGs, particularly with the growing dissatisfaction about standards in schools.

Thus a variety of NSPs are needed (NGOs, CBOs, FBOs, cooperative and social groups, for-profit entrepreneurs and international investment) to increase PPPs in the education sector. This participation can be manifest through a variety of forms and at different extremes of intervention ranging from (i) management contracts where management of the state organisations is transferred to NSPs; (ii) outsourcing where provider organisations procure services from the NSP; (iii) financing demand where the state procures core and non-core services from the NSP; to (iv) corporatisation whereby the government becomes the purchaser and the operational control moves from the state to the NSP.

Box 5.6: Four approaches to partnership



“ However, often NSPs are working in difficult environments where state capacity is so weak that the NSPs are the most important channel for the delivery and monitoring of services. ”

NSPs, comprising both members of civil society and private sector organisations, have a particularly important role to play in various aspects of pro-poor policy change. First, they can ensure that the voices of different interest groups are brought into wider societal processes; second, they can assist in demanding effective and inclusive government and holding the government to account for protecting and promoting the rights of its citizens; and third, with the main focus of this section, they can assist in the provision of basic services. Increasing the involvement of NSPs in all three of these areas will demand a change in the structure, governance, role, nature and status of many of the providers, who have often only focused on the first two aspects and have not seen their role as long-term providers of basic services, believing this to be the sole responsibility of government. However, often NSPs are working in difficult environments where state capacity is so weak that the NSPs are the most important channel for the delivery and monitoring of services. So this role of NSPs as service providers is something that needs further consideration among various stakeholders so that long-term provision of basic services can be assured in a sustainable manner.

Box 5.7 reports how case studies of DFID interventions to strengthen health services in Afghanistan, Nepal and Burma have highlighted key considerations equally applicable to the education sector.

Box 5.7: Key considerations for non-state interventions

- It is vital for the NSPs and the state to remain engaged together even in the most difficult circumstances in order to support longer-term sustainability
- When working with multiple NSPs, there is a danger of policy fragmentation that in turn can lead to disempowerment at the community level
- There are dangers of capture by non-target groups when working with local

NSPs

- External funding is crucial but must be realistic since in the long term it will be assumed by the state
- Alternative lines of accountability need to be arranged since the citizen to state line is unlikely

Source: DFID, 2005a

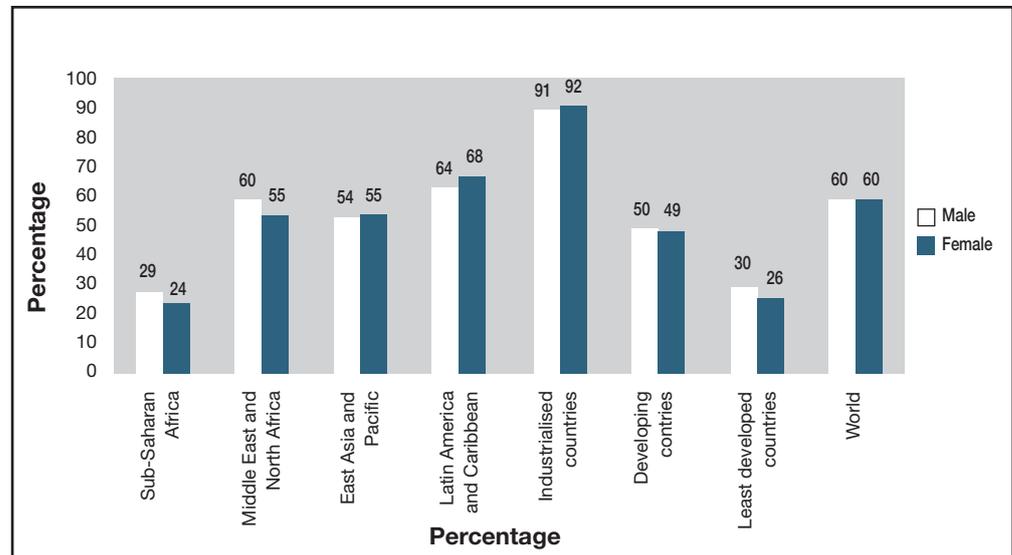
There is no definitive answer to the role of NSPs, and the debate will continue to rage. However, evidence from Clemens et al. (2004, pp. 13–14) regarding attainment of the education MDGs provides a robust argument in support of the need for partnership. They state that history clearly indicates that the growth of public schooling proceeds very slowly and inequitably. Based on data from 90 countries, increasing enrolment from 50% to 90% required on average 58 years and there are as yet no recorded examples of countries climbing from 80% to 95% enrolment in 15 years, as would be needed for countries to achieve the EFA goals. Further, the experiences of large-scale sector investment programmes indicate that better use of additional resources is as much a challenge as mobilising funding.

The challenge to attain universal basic education remains largest in Sub-Saharan Africa, as can be seen from chart 5 below outlining secondary school net enrolment rates for different regions of the world.

Source: Data taken from UNICEF (2005), p. 117

“ Exploring the role PPPs could play in bridging the access gap thus seems critical as one important policy consideration. ”

Chart 5: secondary net enrolment rates by region, 2000–04



Source: Data taken from UNICEF (2005), p. 117

Exploring the role PPPs could play in bridging the access gap thus seems critical as one important policy consideration.

Chapter 6: Main findings

“ While enrolment rates have increased dramatically, it has not been possible to measure whether RESSP or the SWAp have had a direct impact upon children’s levels of numeracy and literacy that are essential for poverty reduction. ”

This chapter starts by looking at the evidence of the CfBT experience in Rwanda under the RESSP and then moves into identifying some issues and lessons that can possibly be applied elsewhere. The extrapolated evidence and suggested lessons are gathered together under the three themes of policy and planning, education sector finance, and partnership with the non-state sector. Before starting, it is important to reiterate two things: first, that overarching our analysis is the focus on the role that education plays in poverty reduction and economic growth; and second, that there were four factors particular to the Rwanda context, namely: (i) it was in a post-conflict situation; (ii) the education system was being re-established at a tremendous pace; (iii) the donor support was considerable; and (iv) NSPs were already playing a substantial role in provision of schooling.

6.1 Policy and planning

6.1.1 Key findings drawn from the Rwanda education reform process

PRSP and education linkage: Education is a key sector within the Rwandan PRSP, and from an initial situation in which the link between education and poverty reduction was merely treated as a given, there has been improvement resulting in policy development that places a specific focus on equity and pro-poor issues. However, two key lessons were learned under the RESSP: first, that there is a very necessary role for an external team to assist the government in the initial formulation of the ESP; and second, that there is then even more work involved in building the capacity necessary for interpreting and implementing the strategic plan that was then constructed from this original policy document.

Decentralisation, civil service reform and their impact on capacity: Progress nationally on decentralisation has acted as a catalyst in realigning the central government’s mandate to one of having responsibility for policy, national planning,

standards and monitoring rather than one of direct service provision. However, these changes have significantly reduced central MINEDUC personnel to one fifth of the size that it was during RESSP. These reforms also impacted on other sectors, but as MINEDUC was well ahead of other ministries in putting into place its strategic planning and review process it is likely (although evidence would need to be sought to confirm this) that MINEDUC is more likely to have coping strategies to overcome the constraints.

Integration of partners: Since 2000 MINEDUC’s ability to lead the policy dialogue and manage monitoring of sectoral performance has significantly improved to the extent that from 2006 the education sector will be significantly assisted through an SBS mechanism. Yet again, RESSP provided some valuable lessons. At the outset, DFID led the introduction of the SWAp approach but not all donors were in favour of such an approach and throughout different procedures continued to be used by the development banks and bilateral agencies. This variation and the pressure it placed on the GoR capacity was further exacerbated by the fact that the donors were also linking their dialogue with MINEDUC to their agendas regarding poverty reduction and the PRSP and MTEF processes.

Sub-sector equivalence: Although pressure was applied by the development partners throughout the RESSP, not only was financing skewed in favour of the higher education sub-sector but this sub-sector was perhaps perceived as existing outside the purview of MINEDUC. By contrast, the technical and vocational education sub-sector was largely unchampioned by any donor partner and received a low priority in the overall ESSP.

Access and quality: While enrolment rates have increased dramatically, it has not been possible to measure whether

“ GoR has consistently shown its commitment to education with a leap in total spending on education as a share of the domestic budget from 14.5% to 25% between 1996 and 2001 ”

RESSP or the SWAp have had a direct impact upon children's levels of numeracy and literacy that are essential for poverty reduction. This is understandable given that RESSP did not have a specific focus on those factors that are most likely to affect learning outcomes, nor did it engage in any extensive analysis of student learning and its local constraints and facilitators.

6.1.2 Lessons learned

A wider partnership: Although the key partnership in the development of an education sector is between the MoE and its development partners, other public sector partnerships also need to be strengthened. These partnerships include relationships that range between the MoE and the other central ministries such as Finance, Planning and Local Government down to the central MoE and the decentralised authorities at the provincial and District levels.

Sector-wide focus: One of the main aims of ESSPs is to give all stakeholders a roadmap of the direction of the education sector and this strategic roadmap will include priorities from all the sub-sectors. However, in many instances given the MDG and EFA targets, development partners are focusing on primary education and this means that the primary sub-sector priorities dominate to the detriment of the post-primary and the early childhood agendas.

Post-primary education: This expansion in the numbers of those completing primary education and the growing awareness of the potential value to the country of an expanding population with a broad range of skills and knowledge beyond what primary education can offer is requiring the development of a broader post-primary strategy, taking into account issues of access and of relevance. Even with the planned expansion of 'academic' secondary education there will not be places for all those who complete primary school. Thus it is critical for ESSPs to consider both a degree of vocationalisation in general secondary

education and a broadening of what is covered in the vocational institutions so that more general upgrading of knowledge and skills is included.

Greater emphasis on learning outcomes: Programmes to improve sector management and governance need to be based on sound politics and institutional analyses that take into account the incentives faced by officials and teachers to improve the quality of instruction and learning outcomes. Further, analytic, assessment and research activities need to be oriented to informing key management and policy issues and those most directly concerned with influencing learning outcomes, headteachers and teachers, seen as partners and as a focus of activities from an early stage.

6.2 Education sector finance

6.2.1 Key findings drawn from the Rwanda education reform process

Different stages of development: The budgetary situation has gone through three very different stages over a brief time period. The first stage involved the situation existing before 2001 in which there was no medium-term forward budgeting but merely a process in which the recurrent budget was increased incrementally each year. Then the MTEF was introduced in which the budget was centrally based on programmatic outputs over three years and RESSP provided training to MINEDUC and its decentralised structures. The current stage is one where 40% of the funding has been devolved from the centre to the Districts, a proportion that is likely to increase yet further as Districts have the mandate for service delivery.

Commitment: GoR has consistently shown its commitment to education with a leap in total spending on education as a share of the domestic budget from 14.5% to 25% between 1996 and 2001 and the present situation in which the recurrent budget has continued growing by 18% and 14% in the past two years. The GoR has also shown tremendous commitment

“ Any delay in aid flows has a concomitant impact on service delivery right down to the school level. ”

to decentralisation but the further down the system goes to the District level the harder it becomes not only to deconcentrate the budget so that Districts have administrative and financial authority but also for the central ministries to monitor and evaluate education expenditure against learning outcomes.

Budget allocation and capacity: Although it has taken time to reallocate the higher education budget, the GoR budget shares are now closer to the recommended EFA target allocations of pre-primary 0–5%, primary 50%, secondary 20–25%, higher 15–20% and non-formal 0–5%. But even as the budget has become less skewed, the GoR still struggles to disburse the full allocations of its recurrent and capital budgets.

Legal and regulatory reform: The GoR enacted some far-reaching and innovative initiatives in the higher education sub-sector during the period of RESSP, most significantly with the establishment of the SFAR, which is responsible for the disbursement of loans awarded on the basis of specific criteria (including gender, means, performance and subject selection), and the NCHE, which leads on decision making on matters of policy, strategy and funding.

Lack of resources: The GoR is hampered from accessing sufficient resources to support its education reforms on three accounts: first, by the fact that it cannot collect additional tax revenues given the populace's dependence on agriculture; second, by the macroeconomic targets for the fiscal deficit that have been set under the IMF's Poverty Reduction and Growth Facility; and third, by the unavailability of additional donor resources in grant form.

6.2.2 Lessons learned

Holistic approach: On the macro front, progress on reforming financial systems in the education system cannot be implemented in a vacuum but rather it must be recognised as a component of public finance management reforms at the

national level. Similarly on the sectoral front, all the sub-sectors need to be aligned so that one sub-sector's budget and strategy does not cause misalignment in the overall sectoral budget allocations.

Formula funding: Although RESSP claimed many achievements in the higher education sub-sector, it illustrated how difficult it is to introduce a formula funding system for higher education that can both recognise the differences in costs between courses and allocate a more equitable unit cost per student for different categories of courses.

Predictability of aid flows: Rwanda, with its heavy reliance on donors to support its education system, provides a stark example of the challenge facing such governments as a result of this aid being disbursed in an unpredictable fashion. Any delay in aid flows has a concomitant impact on service delivery right down to the school level.

Fee-free secondary education: Rwanda has the advantage of a large non-state education sector serving the post-primary catchments, but the problems for the GoR are similar to other developing countries in dealing with the post-primary bulge. If fee-free is introduced in lower secondary education what are the implications for the poor and what will be the impact on the existing non-state sector?

Absorptive capacity: The case study of Rwanda has illustrated how many MoEs struggle to disburse their budgets on account of weak procedures, capacity constraints and the slow pace of reform. In the instance of Rwanda a multi-sector capacity-building fund has been established to assist in overcoming some of these financial management constraints.

6.3 Partnership with the non-state sector

6.3.1 Key findings drawn from the Rwanda education reform process

Large non-state education sector: The non-state sector and households make considerable contributions to education.

“ As the pressure of the bulge of students that entered primary school under the EFA initiatives enter into the various post-primary streams, governments are increasingly faced by a paucity of financial and human resources to meet this bulge. ”

Approximately 40% of secondary schools are fully private and the GoR subsidises some students to attend these schools while parents contribute to necessities such as textbooks and uniforms as well as their ‘voluntary’ contributions to teachers’ salaries and top-up costs at the secondary level.

Proactive partnership: Compared to many other countries, the GoR has been proactive in recognising and using the services of NSPs for the public good. This partnership is evidenced most particularly by the fact that data is collected and analysed for non-state and state providers alike and there is ongoing dialogue between the GoR and the NSPs through the latter’s professional associations; and, within the *libre subsidié* community, there is a form of self-regulation.

Access, quality, equity and finance: The non-state education sector in Rwanda exemplified issues and challenges across these four dimensions that are common to the debate surrounding PPPs in other countries. From the perspective of access, there is the critical issue of variety in household ability to pay for education. From the quality perspective, there is the pronounced difference in state contributions for supporting inputs to the different types of schools to the lack of assessment systems to monitor the quality of performance by NSPs. From the equity perspective there is the difference across regions in the social context and market for private sector schooling, while from the finance perspective there are challenges such as the small size of institutions, the wide range of course offerings that ensure low enrolments and the lack of access to credit from the local banking sector for private sector providers.

6.3.2 Lessons learned

To partner or not: As the pressure of the bulge of students that entered primary school under the EFA initiatives enter into the various post-primary streams, governments are increasingly faced by a paucity of financial and human resources

to meet this bulge. Possible sources for bridging the gap invariably include the non-state sector that is understood to include the continuum from CBOs, NGOs, and FBOs to workers and the business sector. For a variety of reasons, Sub-Saharan Africa has experienced a considerable growth in its non-state provision, but this expectation poses some issues, most critically the issue as to what are the limits of affordability with regard to NSP participation given the fees they must charge. In other words, is there a cap placed on effectiveness by the NSP due to the fact that many families will be excluded by poverty from participation in full-cost non-state schools?

If partner: If the decision is to involve partnership with the non-state sector on behalf of the public good, then there are a number of initiatives that need to be enacted, including:

1. encouraging the development of NSP associations not for the purpose of lobbying for the ‘haves’ but for using as a consultative process for governance;
2. recognising the NSPs in planning the expansion of the post-primary sector by including their needs and capacity in planning projections;
3. establishing clear legal frameworks for NSPs that assist in eliminating the disconnect between theory and practice in the legal and regulatory framework;
4. introducing incentives for the NSPs that include the provision of accessible registration and licensing procedures and tax exemption status for encouraging non-profit operators;
5. considering the establishment of parastatal agencies that can assist the government in registering and licensing providers, monitoring standards and directing subsidies.

Success and failure factors: Detailed analysis of the non-state sector carried out under RESSP highlighted both the key

factors for successful partnership and the main obstacles. For success, there are two main factors: the need for a senior public sector champion for the partnership arrangement, and the need to agree on shared objectives for the partnership based on meeting the targets of the ESSP and the PRSP. In the case of Rwanda these two factors were probably absent.

Conversely, three obstacles to partnership were present: (i) the political will and public support for greater participation by the NSPs (participation is obviously happening but it is on an ad hoc basis); (ii) the lack of any agreement on key performance targets either for pro-poor access or for measuring impact on educational outcomes; and (iii) the lack of a forum for negotiating and reaching agreement between the state and the NSPs.

Chapter 7: Conclusion and recommendations

Chapter 6 summarised some of the lessons learned from the challenges CfBT faced over the period 2001–06 during the implementation of the RESSP. These challenges and the lessons learned were considered through three lenses: (i) education sector policy development and planning in relation to national poverty reduction strategies; (ii) financing of the sector; and (iii) the relationship between the state and non-state education provision. The aim of this concluding chapter is to identify what advice can be provided to African countries and their development partners in approaching future investment in the education sector. Table 7.1 summarises the challenges that were identified under the three headings.

7.1 Summary of the challenges

Table 7.1: Summary of the challenges

Policy and planning	Finance	Partnership with non-state
Lack of human resource capacity and capability	Insufficient financial resources	Lack of public sector capacity and capability to implement partnership
Difficulty of sharing ownership of the change process	Lack of predictability in aid flows	Inability of donor funding mechanisms to support the non-state sector
Need for a holistic approach across all sub-sectors	Balanced sub-sectoral allocation of financial resources in light of weak public financial management systems	Weak and ineffective legal and regulatory frameworks
Lack of focus on learning outcomes	Impact of decentralisation on budgetary processes (preparation, execution, monitoring and evaluation)	Poverty of households affecting ability to pay fees
Introduction of SWAs and DBS placing pressure on new roles and responsibilities for all actors	Fiscal implications of introducing fee-free education	NSPs' inability to access capital for investment in infrastructure
Changes in the role of project managers	Capacity of the system to absorb increased donor funding	Lack of coordination among the NSPs to respond

Making sense of this multitude of challenges – understanding them better, and how they relate to one another – and providing possible options is no simple matter in any context, but in countries emerging from conflict there are additional factors to take into consideration. The conflict in Rwanda had further diminished already limited capacity, destroyed institutions and broken down social and family networks. Essentially, problems and opportunities should drive decisions about which options to pursue rather than starting with the interesting solution and then looking for the problem to apply them to. However, it is perhaps possible to collect these disparate challenges into seven main constraint categories that faced the RESSP team, particularly at the outset and then through differing degrees throughout the project.

- Technical and managerial skills of public officials
- Administrative constraints due to the lack of adequate infrastructure and equipment
- Capacity constraints exacerbated by the process of decentralisation
- Inadequate and weak public financial management systems
- Uncoordinated and unharmonised donor interventions
- Social and cultural factors
- Deficiencies in institutions and policy processes

Before offering the concluding recommendations for improvement in other education reform environments by drawing on lessons learned in the context of the Rwandan education system, it is important to stress how much significant progress has been and is continuously being made in Rwanda. It is thus critical here to mention some positive initiatives that have been implemented or are being planned by the GoR:

- the strength of the ongoing system-wide commitment to and focus on achieving the goals of the PRSP and the ESSP;
- the mechanisms established to link and track education financial flows and expenditures, despite their technical

difficulties;

- the integrated strategic planning and budgeting processes now in place, which represent a well conceived response to the challenge of coordinating policy and budget planning;
- the establishment of mechanisms across central institutions, which is improving coordination;
- the sector review process, which offers a robust vehicle through which government, stakeholders and donors can interact constructively;
- the impressive scope of efforts to harmonise donor budget support and interactions with the GoR.

7.2 Recommendations for future interventions

As has been noted in the discussion of SWAps, no two SWAps are alike, and the same is true more generally of national approaches to education reform. While acknowledging that many of the findings in this study are to a greater or lesser extent context specific, more generalised recommendations for the way forward in any such context emerge. Based on the lessons learned in Rwanda under the RESSP, there are eight key policy, finance and partnership recommendations that have implications for national education reform in other environments.

Recommendation 1: *Use the joint review process (or other equivalent meetings whenever appropriate) to engage a broad range of non-central ministry stakeholders in the education reform process, including the teachers, parents and learners.*

Including representatives from all interest groups within the education sector is likely to widen ownership and increase the probability of future success of the reform process. It should also enable any future reforms to be both more holistic and more effective in their final outcomes as many different viewpoints will be considered and debated during the development of policies and implementation strategies rather than a centralised approach

“ Including representatives from all interest groups within the education sector is likely to widen ownership and increase the probability of future success of the reform process. ”

being taken, potentially by policymakers who have little or no recent experience of teaching. Such reviews also provide the opportunity for central strategic and financial planners, whose focus is on the efficient use of the limited funds, to influence and be influenced by those whose principal concern is improving the quality of teaching and learning.

Recommendation 2: *Ensure that capacity building addresses needs at all levels from central government to decentralised government to schools, including provision for school level education managers to track learning outcomes across different income and social groups.*

Much of the recent donor-funded support for capacity building has focused on central level ministries, with very little support to decentralised education offices and practically no support to headteachers, teachers and schools. The latter is critical for successful reforms and sustained change to be seen in the teaching and learning practices taking place in the classroom. This, and only this, will be the key measure of whether or not future reforms in the education sector will be seen to have impacted the quality of learning in the classroom, enabling more children to complete a full cycle of primary education that equips them with relevant life skills for their future.

Recommendation 3: *Ensure harmony of support across the different sub-sectors by pursuing a SWAp and enabling governments to provide particular technical and financial support for those areas that are traditionally undersupported.*

As has been noted, without a SWAp some sub-sectors, such as primary education due to donor priority, or higher education due to political connectedness, receive a large amount of technical and financial support, while others areas such as early childhood, non-formal and technical education hardly receive any support. This will inevitably lead to the unbalanced development of the education sector which will not be sustainable in the long run. A SWAp, where there is strong government ownership, will enable a more holistic development of the education sector and will link this more closely to the needs of

national socio-economic development and poverty reduction.

Recommendation 4: *Fund research to assess the impact of decentralised management and deconcentrated budgets on education reform and service delivery at the level of the classroom.*

The theoretical advantages of decentralisation and deconcentration are mentioned regularly across Africa. Some research has been undertaken examining whether money is reaching schools, particularly in relation to capitation grants in Uganda and Rwanda. However, this is often just a financial tracking audit looking at whether money has arrived at local level, rather than considering how this money is being spent by districts, headteachers and schools, and whether this is having an impact on both access to education by marginalised groups, and to the quality of teaching and learning in the classroom. This needs to happen so that where bottlenecks are identified, appropriate capacity building interventions or system-wide reforms can be rapidly implemented.

Recommendation 5: *Ensure that aid intervention is fit for purpose by providing a flexible mix of capacity building for all educational and administrative tiers with financial and technical support to actual implementation at the institutional level.*

Increased recurrent budget support is needed to help pay for teacher salaries, teacher training and other quality inputs, and capacity building is also critical. However, merely providing additional funding for more teachers and places in teacher training colleges without ensuring that teachers and teacher trainers are better equipped for their job will not guarantee that Africa reaches the UPE target and that children actually complete their schooling without repeating or dropping out. Thus a balance of funding (both national and external, and targeted in an appropriate way towards the different sub-sectors) is needed to provide the necessary resources for recurrent funding as well as resources for building the capacity of teachers and for reforming where necessary the curriculum and approaches used in teacher training colleges and schools. While

“*The cash alone, without the capacity to use it to make a real change in the classroom, will not overcome the enormous challenges ahead if we are to make a quality education available to all African children by 2015.*”

there is much pressure both internationally and from civil society to increase aid rapidly and target it on recurrent costs (i.e. budget support) it is critical that any aid also supports capacity development. De Renzio (2005, p. 2) rightly concludes that: ‘the key strategy is to combine the urgent response needed in the short-term with capacity-building for the longer term’.

To paraphrase the senior Rwandan official quoted in chapter 3, the car is not much use unless the government knows how to drive it. The cash alone, without the capacity to use it to make a real change in the classroom, will not overcome the enormous challenges ahead if we are to make a quality education available to all African children by 2015.

Recommendation 6: *Use a mix of aid modalities and systems, ranging from budget support to discrete project support, with the appropriate mix based on the local capacity, the state of existing financial systems and the policy environment of the particular country.*

There will never be an ideal one-size-fits-all model that can produce the most efficient and effective form of financing the education sector in all countries. Each country is diverse in terms of its development, policy environment, political and human rights situation, level of achievement toward the MDGs, and obviously in regard to the state of its financial systems. Thus a variety of support should be provided so that donors can see that their aid is in a diverse portfolio, with low risk, higher cost projects and high risk, lower cost budget support. If this aid is split between central government, local government, and non-state sector, then the returns to aid are more likely to be higher in the short term. In the longer term, as different aid modalities are seen to be more or less effective in a given country, then the portfolio can be redistributed so that the most effective aid modalities are those through which the majority of aid is flowing. Decisions as to which modality will be determined on a country-to-country basis based on the national and sectoral policy environment, strength of capacity and dependence on aid.

Recommendation 7: *Consider a greater role for the NSPs as service and implementation*

agents, particularly for delivery of early childhood and post-basic education and training.

Much of the focus in Africa regarding NSPs has been on secondary and higher education level. However, given the low access to early childhood education, and the high costs and low quality of some of the alternative streams to academic secondary schooling (i.e. post-basic vocational and technical training), it is important to consider a prominent role for the NSPs in these early childhood and alternative environments.

Recommendation 8: *Identify public sector and donor champions to support building the public-private partnership process from the start and to strengthen the capacity of the NSPs to support the expansion of education provision.*

There is still a lot of distrust among both governments and donors in many African countries about the role of the non-state sector, particularly when it involves private sector providers. The non-state sector is thus often left to run on its own with little government support or intervention even though it is essential to the expansion of education provision and the achievement of the MDGs. Just as this study is promoting following a sector-wide approach, so it is also proposing the importance of a wide range of state and non-state actors working together in partnership to achieve the MDGs for education. For this to be effective, a PPP coordination office is needed within the MoE to develop stronger relations between the government and NSPs, and donors need to be encouraged to support both this office and the work of the private education associations equally in terms of capacity building, policy and strategy development in the area of partnership.

Linked into this recommendation, there is a need for support to be provided directly to NSPs so that partnership can be effective in delivering the provision of quality education services. This may involve government working with the banking sector to help provide credit to the non-state sector for building and startup costs of schools. It will

“ *partnership is key to successful national education reform.* ”

also involve closer collaboration between government and NSPs regarding regulation and inspection services to ensure that non-state provision of education reaches certain minimum standards.

7.3 Concluding remarks

Considerable progress is still required in order to address the myriad challenges to access, quality, equity and finance. In order for the education MDGs to be achieved, a wide range of stakeholders need to be involved in the policy and strategy development process, supported in their efforts by a comprehensive capacity building initiative at all levels of the system from central to district to school level and acknowledging the critical role of the non-state sector in partnering with government to provide services and expand overall provision. In addition, to ensure that a sustainable education system is developed, a SWAp with clear national ownership seems to be the most balanced way forward. Clearly, additional financing is needed to provide all of this support, yet how this funding is provided (which aid modality), what it is provided for (operational costs versus capacity building) and what level of the system it is provided to (central, district or school) will be critical to how effective the overall education reform will be.

A significant, if predictable, outcome of the study is that partnership is key to successful national education reform. What the study has shown, however, is that such partnership needs to be broader, more far reaching, than it has been previously. There needs to be partnership within the education system between the different sub-sectors, partnership between the different administrative levels from the central ministry to the school, partnership between government, the non-state sector and the aid providers, and partnership between organisations such as CfBT Education Trust, which can bring together multi-country education sector reform experience and the expertise to strengthen capacity at all levels, and each of the other players in the education system. When this collective partnership is dynamic, evolving, flexible, trusting and comprehensive, it is a powerful instrument for successful reform.

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