Motivation

Although the Rwandan government increased its budgetary allocation to the health sector, indicators continued to remain stagnant. This study assesses the roles of parents, donors, NGOs, and other stakeholders, in managing and improving services in primary health. It draws on previous studies, but at the request of Rwandan authorities, interested in assessing nature and quality of service delivery, extends beyond the flows of public spending aspects to assess the welfare effects of public service delivery, exploiting the combination of the PETS and CWIQ (Core Welfare Indicators Questionnaire) surveys.

Objectives

A PETS was therefore implemented to track expenditures for social services. The objective was twofold: to identify delays and leakages of budget transfers in order to improve the effectiveness of budget spending and to demonstrate surveillance and control of the expenditures to the civil society and external donors.

Main findings

The outcome of the study is consistent across the two sectors: budgetary flows to the facilities are limited to the salaries of staff; very limited funding of the central government for primary health care forcing facilities to rely on fees for services to cover operation and maintenance costs. The provision of supplies to health facilities is uncoordinated. While the processes for the release of operational funds to the provincial/regional education and health offices are systematic, the actual releases were irregular and often delayed. There were no systems and requirements for accountability for the budgetary resources provided to regional/provincial and district health and education offices (District offices accounts are credited at the discretion of the regional offices).

Leakage

Though there are no firm estimates, some evidence of leakage between regions and districts is observed. Except for staff salaries, recurrent expenditures in health do not reach health facilities.
No leakages of funds released by MINECOFIN (Ministry of Finance and Economic Planning) to the provinces flowing through the banking system (National Bank of Rwanda and commercial banks) were identified but substantial delays occurred between the submission of a funding release request by the line ministry and the authorization by MINECOFIN across regions. There are possible leakages in the transactions between regional and district health offices: amount recorded as received by Regional Health Offices (RHOs) as % of amount transferred by Banque Nationale du Rwanda (BNR) constitutes 75.8% for all provinces (indicating leakage of 24.2%). As a percentage of total amount transferred to regional office, the amount received by the district varies between 1.9% in Ruhengiri to 45.7% in Cyangugu. Similarly, as a percentage of amount recorded as received by the regional office, the amount transferred to District Health Offices (DHOs) varies between 4% in Ruhengiri to 51% in Giseriyi (total leakage is 17%).

Causes: Poor accountability and financial management in regional and district health offices; no guidelines on the utilization of funds by regions; no monitoring by central authorities of the use of funds, weak internal controls; no formal notification of beneficiaries about the release of funds by MICOFIN.

Other findings

Delays in budget execution at the central level and in transfers between regions and districts are observed. In the health sector the execution rate appears to be very low as 80% of non-wage expenditures are released at the end of the year. Delays were largely attributed to the application of the cash budgeting system in the MOF and cash constraints of the government.
User fees are shown to be the main source of revenues at the facility level. The majority of population does not use health centers when ill due to high costs and poor quality of medical infrastructure and services. Sloppy bookkeeping and poor financial management at regional, district and facility levels. Lack of monitoring and supervision from the central authorities contribute to these poor practices. No written guidelines on how funds should be managed at the regional, district or facility level, and no formal requirement for accountability on the utilization of funds.

Sample

-11 Regional Health Offices (out of 11)

- 37 District Health Offices (out of 40)

-250 health centers (out of 351).

Sample design

Nation-wide survey of facilities and administrative units

Resources monitored

- Recurrent expenditures (cash, in kind contribution and equipments)
- Data for 1998 and 1999

- 5 units (Central government, provincial, districts, facilities and users)

Contact

Chukwuma Obldegwu: cobidegwu@worldbank.org
Hippolyte Fofack: hfofack@worldbank.org

Main report

(2003) "Public Expenditure Performance In Rwanda: Evidence from a PETS in the Health and Education Sectors," Africa Region Working Paper Series No. 45, March.