

**Motivation**

Despite an increase in budgetary spending in the social sectors in Rwanda, indicators remained stagnant.

**Objectives**

To assess the reasons for this apparent discrepancy, a PETS was implemented to analyze the public funds transfer process, respect for procedure, account keeping and to evaluate public fund leakages. It was hoped that the results of the study would inform recommendations regarding the formulation of appropriate strategies to improve the overall system.

**Main findings**

There are no controls for the utilization of capitation grants by schools, as neither the MOE, province nor district have control mechanisms in place. District reports are said to be unreliable and audits of MOE does not cover all schools.

Anomalies are noted in the list of beneficiaries of the Education Support Fund program at the central level (the first names of beneficiaries are not listed, neither their exact birth dates nor name of their parents), which introduces potential misreporting.

**Leakage**

There is some evidence of leakage of capitation grant at the school level in particular, but no firm estimates. However there is potential leakage of the Education Support Fund program at the central level, but no estimates are provided.

**Ghost workers**

548 teachers (1.8%) appear on the MOE list but not on the facility lists. Ghost figures should be interpreted with care as teachers transfer lists are poorly updated.

**Other findings**

Delays were observed in the payment of capitation grant to schools: 13% of teachers do not receive their salaries regularly, 82% of teachers have salary arrears (2003). Some irregularities in the payment of the Education Support Fund program are reported by 43% of students surveyed and only 47% of teachers knew the amount of salary arrears. Salaries are directly transferred to teachers' bank accounts. They do not receive detailed pay slip. They lack information about their exact salary and deductions at the source.

The commercial bank processing teachers' salaries (UBPR) has not returned unpaid salaries to the Treasury since 2001. This represents about ¼ of annual teachers salary. Despite an official "free education" policy, user fees are imposed and are much larger than capitation grants.

**Sample**

- 36 districts (out of 106)
- 107 primary schools (out of 2203)
- 48 secondary schools (out of 339)
- 36 Banks
- 48 students

**Sample design**

Two-stage: In a first stage, for each 12 provinces, 3 districts were selected. Second stage: primary schools were chosen in selected districts as well as 1 secondary school per district. In addition, 1 secondary school per province which was determined to be the main beneficiary of the Funds for Genocide Survivors (FARG) program was selected

**Resources monitored**

- Teachers' salary
- Three funding programs (FARG, Education support Funds for Vulnerable and Poor Children and capitation funds).
- Data for FY 2003
- 4 units (Central government, schools, beneficiary students and banks)

**Main report**

Rwanda (2004) "Rwanda: Public Expenditure Tracking Survey (PETS) Education," September.