

# Rwanda

## Public Expenditure Tracking Survey (PETS)

### Education

2004

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## LIST OF ABBREVIATIONS AND ACRONYMS

BACAR	Banque Continentale Africaine au Rwanda
BCDI	Banque de Commerce, de Développement et d'Industrie
BCR	Banque Commerciale du Rwanda
BK	Banque de Kigali
BNR	Banque National du Rwanda
CEPEX	Bureau Central des Investissements Publics et des Financements Extérieurs
CNIA	Centre National d'Insémination Artificielle (National Centre for Artificial Insemination)
COGEBANQUE	Compagnie Générale des Banques
CSS	Credit and Saving Scheme
FARG	Fonds d'Assistance aux Rescapés du Génocide
FRW	Franc Rwandaise (Rwandese Franc)
IMPRISCO	Imprimerie Scolaire
ISAR	Institut des Sciences Agronomiques au Rwanda (Rwanda
KR	Kigali Rural
MIFOTRA	Ministère de la Fonction Publique, de la Formation Professionnelle, des Métiers et du Travail
MINAGRI	Ministère de l'Agriculture et l'Elevage
MINALOC	Ministère de l'Administration Locale, du Développement Communautaire et des Affaires Sociales
MINECOFIN	Ministère des Finances et de la Planification Economique
MINEDUC	Ministère de l'Education, la Science, la Technologie et la Recherche Scientifique
NTB	National Tender Board
OT	Ordonnateur Trésorier
PETS	Public Expenditure Tracking Survey
UACP	Unité d'Appui et de Coordination du Projet
UBPR	Union des Banques Populaires du Rwanda
UCT	Union de Solidarité des Caisses des Travailleurs
USAID	United States Agency for International Development
WHO	World Health Organisation

# **1 Introduction**

## **1.1 Background**

The last Public Expenditure Tracking Survey was carried out in the year 2000. It covered the fiscal years 1998 and 1999 for the sectors of education and health. The study focused on identifying possible leakages and delays in the flow of funds from MINECOFIN to primary beneficiaries and sought to recommend on improving the efficiency in resource flows and uses.

The current PETS 2004 covers the fiscal year 2003, and focuses on education and health as well as water and agriculture projects.

## **1.2 Objectives of the PETS 2004**

In carrying out this survey the Government of Rwanda would like to respond to the following concerns:

- To identify the different steps of the transfer process of public funds
- To evaluate the time for operations, leakages and eventual deviations of public funds and their impact on the realization of planned objectives
- To analyse the degree of respects of procedures and of management rules and of public expenditure
- To analyse existing documentation, respect for procedures and account keeping including accounting documents
- To give an opinion on the reporting and feedback mechanisms
- To analyse the usage rate of public funds and determine from it the main causes with a view to formulating strategies for improving the system
- To evaluate the outputs and the perceptions of the beneficiaries
- To formulate appropriate recommendations to each noted problem

## **1.3 PETS Focus**

PETS 2004 tracked the following sectors:

- Education
- Health
- Water projects and
- Agricultural projects

The present study carried out on education sector and covered salaries of Primary school teachers as well as the Funds for genocide survivors (FARG). It also dealt with Education Support funds for vulnerable and poor children

## **2 Methodology**

### **2.1. Data collection**

The methodological approach used for the education sector consisted of data collection from the central level and from the local level. This entailed data collection techniques, documentation review as well as processing and analyzing the primary and secondary data and finally presenting the survey results and formulating recommendations.

The data collection was carried out at different levels as follows:

#### **Central level**

MINEDUC, MIFOTRA, MINALOC, MINECOFIN, FARG and Banks

#### **Local Level**

Directorate of Education, Youth and Culture (Province), Sector Inspection (District), School Centre Administration (School Centre), Bank Branches

### **2.2. . Techniques used**

At the central level two techniques were used: Document review and interview. At the local level a combination of techniques was used comprising of Survey by questionnaire, structured and unstructured interviews, and observations.

According to MINEDUC records<sup>1</sup>, there are 2203 primary schools and 393 public and subsidized secondary schools. In the sample there were 3 districts per province making 36 out of the total 106 districts in the country (34%), 108 primary schools (5%), one secondary school per district retained in the sample making 36 secondary schools as well as one school per province considered as the main beneficiary of FARG making a total of 12 schools. In total the number of secondary schools that were included in the sample was 48 out of 339 (15%).

The great majority of teachers receive their salaries through the Banques Populaires situated in each district in Rwanda. There is also a minority of teachers who receive their salaries from UCT Banks, which is generally situated in urban centres. The Banks retained in the sample are those situated in the districts retained in the sample – a total of 36. The sample for education sector is shown in table 1.

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<sup>1</sup> MINEDUC/DEPE :-Enseignement primaire, Codification des écoles, Année scolaire 2001/2002  
-Enseignement secondaire, Codification des établissements, Année scolaire 2001/2002

**Table 1. Sample for the Education Sector**

<b>Respondents</b>	<b>Total</b>	<b>Sample Size</b>	<b>Percentage</b>
<b>Provinces +Kigali Town:</b>	12	12	100
Directors of Education, Youth and Culture	12	12	100
<b>Districts:</b>	106	36	34
Sector Inspectors	36	36	100
School centres:	672	108	16
School centre Director	108*	108	100
Primary school teachers	1488*	108	8
Secondary Schools:	393	48	15
Secondary School Director	48*	48	100
Beneficiary students of FARG and of the education support funds		84**	
Banks (Head Offices)***	2	2	100
Banks (Local Branches):Popular Banks and UCT	169	36	21
Bank Managers	169	36	21

\* Figures relative to the schools retained in the sample

\*\* 48 beneficiaries of FARG and 36 of the Education support funds

\*\*\* UBPR and UCT, banks through which the greater part of the teachers and health workers receive their salaries.

### **2.2.1. Organisation of the data collection**

At the central level, two consultants were sent to collect all documentation pertinent to the survey and to conduct interviews with the different responsible officials. At the local level, 12 consultants were sent out to the 12 provinces of the country including Kigali Town so as to have one consultant per province. Data was collected from all the units within the sample.

### **2.2.2. Survey instruments**

#### **2.2.2.1. Questionnaires**

Questionnaires were developed and addressed to the different groups of respondents. Provincial Directors of Education, Youth and Culture, District Inspectors, Directors of school centers at the level of school centers, Directors of secondary schools at the level of secondary schools, students at the level of school centers as well as beneficiaries of FARG and of the Education support funds at the secondary school level. These questionnaires were administered by consultants in all provinces at each mentioned level.

#### **2.2.2.2. Field work instructions**

A written fieldwork instruction was given to consultants as guidelines.

## **2.3 Field work**

One consultant was appointed by province and after the field work, each consultant had to submit the filled questionnaires and a field report.

## **2.4. Data processing and analysis**

A Data processing Unit was set up to produce a database from information collected from the field and make it available for consultants for analysis. Qualitative data was processed manually while quantitative data was processed electronically. The software used were ACCESS 2000 and SPSS for making tables out of database, and WORD 2000 and EXCEL 2000 for report drafting.



## 3 Findings

### 3.1 Primary School teachers Salaries

The management of salaries of Primary school teachers is done in two phases. The first phase concerns the process of recruitment and of the establishment of pay lists of school centres right up to MIFOTRA and the second concerns the process of payment of salaries from MINECOFIN to the teacher.

#### **Phase 1: Recruitment Process and the establishment of Pay lists**

- **Provisional recruitment of new teachers:**

A recruitment meeting headed by the School Inspector is organised and is composed of different proximate authorities such as Directors of School centres, the inspector of the school sector and the owners of the concerned schools.

The sector inspector has a document that indicates the number of students in the previous year and their increase for the next school year. On the basis of this increase he decides on the recruitment of new teachers. Generally the recruitment of new teachers is based on the grades on their certificates. In Kigali City, the recruitment is done on the basis of a recruitment test. In Mutura District, Gisenyi Province, it was found that recruitment is done randomly.

Within one month after this provisional recruitment the Sector Inspector submits the report to the District Educational Council, which approves the recruitment act and transmits it to the Education Directorate of Education, Youth and Culture at province level. From here the recruitment documents are transmitted to MINEDUC.

- **Transmission of recruitment documents to MIFOTRA:**

For a minimum of one month MINEDUC proceeds to:

Have the recruitment documents analysed by the person in charge of teachers careers.

Get the approval of these recruitment documents from the Secretary of State and the signature to the transmission letter of the recruitment documents to MIFOTRA. It was found out that teachers never receive appointment letters. The reception of the first salary is a proof of recruitment.

- **Processing of Salaries at MIFOTRA**

These operations are done in the Department of Entry and Processing of Salaries

After the development of the pay lists, MIFOTRA goes ahead with salary Processing according to the following steps:

At the latest on the second day of each month, the document coming from the Salary entry and processing department in the province should be presented to MIFOTRA

From the third to the fifteenth of each month, MIFOTRA analyses the salary documents. During this period the Provincial Manager in charge of Salary Processing should present himself at MIFOTRA for any eventual modifications concerning the pay lists.

- **Transmission of the list of teachers**

MIFOTRA updates the list of teachers taking into account any new recruitment. These lists (or school cards) are approved and re-sent to the Province then to the Inspector of the School sector.

## **Phase 2: Salary Payment Process**

The process of teacher salary payments also goes through different levels:

- **Transmission of pay lists to MINECOFIN:** After the analysis and verification of the documents, MIFOTRA sends the final pay lists to MINECOFIN. These steps take place between the twentieth and the twenty-fifth of each month (Around 5 days). MINECOFIN then transmits payment orders to BNR (internal operations in MINECOFIN take 3 days on average).
- **Transfer of Salaries to Banks (Head offices):** At BNR the State Treasury department (Caisse de l'Etat) proceeds with the payment of salaries through the headquarters of Banks, mainly the Banques Populaires and UCT, for eventual transfer to their branches. According to the results of the survey, it emerged that 72% of the local banks make the transfer in a day, 24% do it in two days while 4% take four days. The Banking Commission is fixed at 500 FRW per person for the Banques populaires (250 Rwf for UBPR and 250 Rwf for the branches) and 400 Rwf for UCT.

Figure 1 Recruitment and salary management process

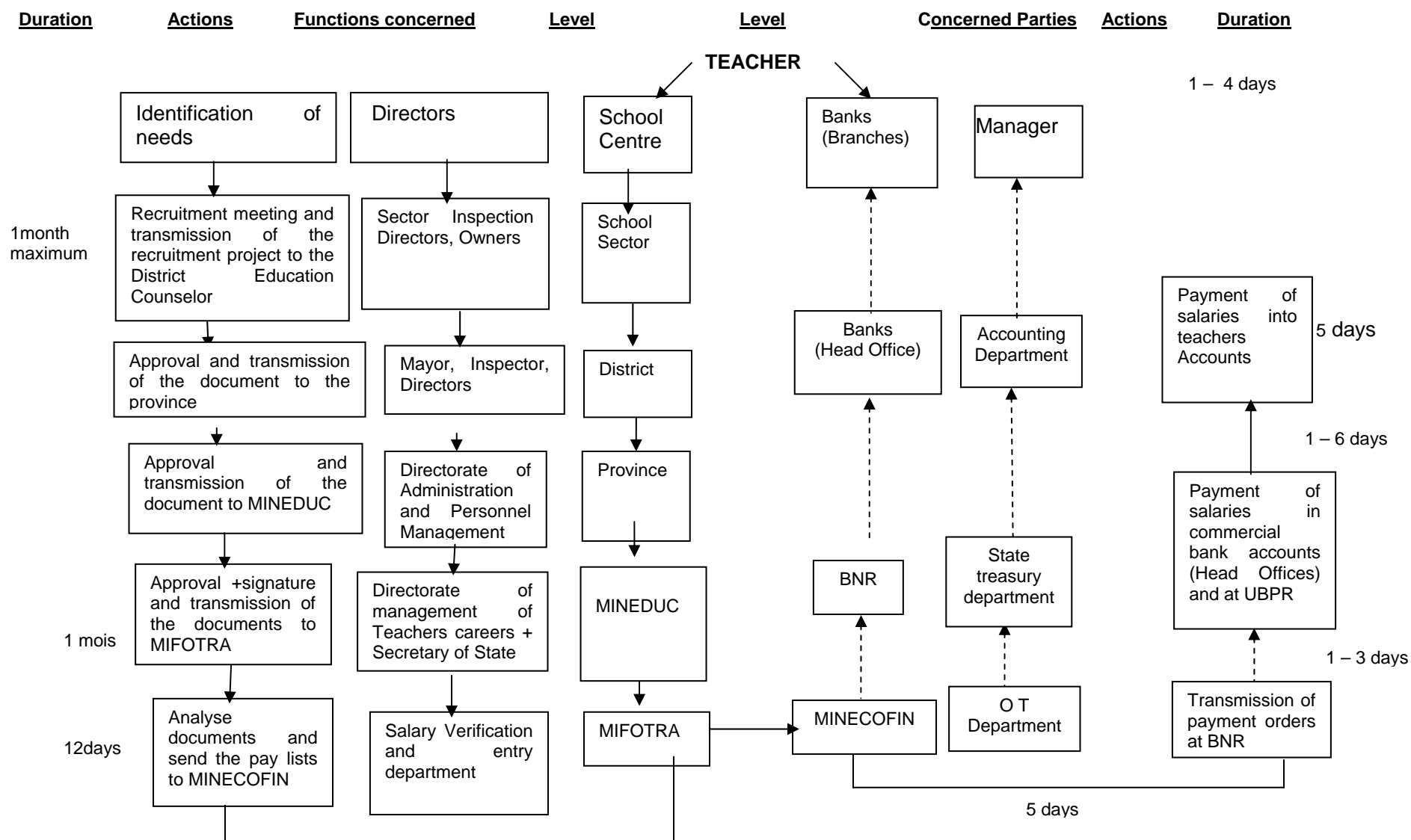


Table 2. Teachers Salary Details (Year 2003)

Month Paid	Amount Paid	Total Number of Teachers	Date of sending payment orders from MIFOTRA to MINECOFIN	Approval date from the budget at MINECOFIN	Date of sending Payment orders from BNR	Date of salary transfers from BNR to commercial banks. (HQ)	Date of salary transfers from Head offices to the local bank branches	
							UCT	UBPR
January	1.256.493.357	30.829	29 January	30 January	31 January	03 February	From 6 to 12 / 02	From 7 to 11 / 02
February	1.312.538.780	31.050	24 February	25 February	25 February	26 February	From 2 to 5 / 03	From 27 /02 to 5/03
March	1.210.203.699	31.068	27 March	28 March	28 March	31 March	From 3 to 8 / 04	From 2 to 10 / 04
April	1.236.049.469	31.314	23 April	28 April	28 April	28 April	From 29/04 to 5/05	From 28/ 04 to 7/ 05
May	1.265.882.086	31.500	22 May	23 May	29 May	29 May	From 30/05 to 3/06	2 / 06
June	1.285.045.833	31.500	27 June	30 June	02 July	02 July	From 7 to 10/07	From 3 to 16 / 07
July	1.259.736.562	31.500	23 July	24 July	24 July	28 July	From 30/07 to 8/08	From 30 to 31 / 07
August	1.279.670.199	31.653	14 August	18 August	19 August	20 August	From 28/08 to 9/09	From 21 to 31/08
September	1.276.906.558	31.571	17 September	22 September	24 September	26 September	From 29/09 to 8/08	2 / 10
October	1.219.822.580	31.257	21 October	21 October	23 October	29 October	From 28 to 31 /10	From 28 to 29/10
November	1.294.173.358	30.777	24 November	24 November	27 November	28 November	From 5 to 11/ 12	5 / 12
December	1.039.404.361	31.765	22 December	23 December	23 December	23 December	From 29 to 31 / 12	From 27 to 28 / 12

Figure 2 Monthly salary management cycle

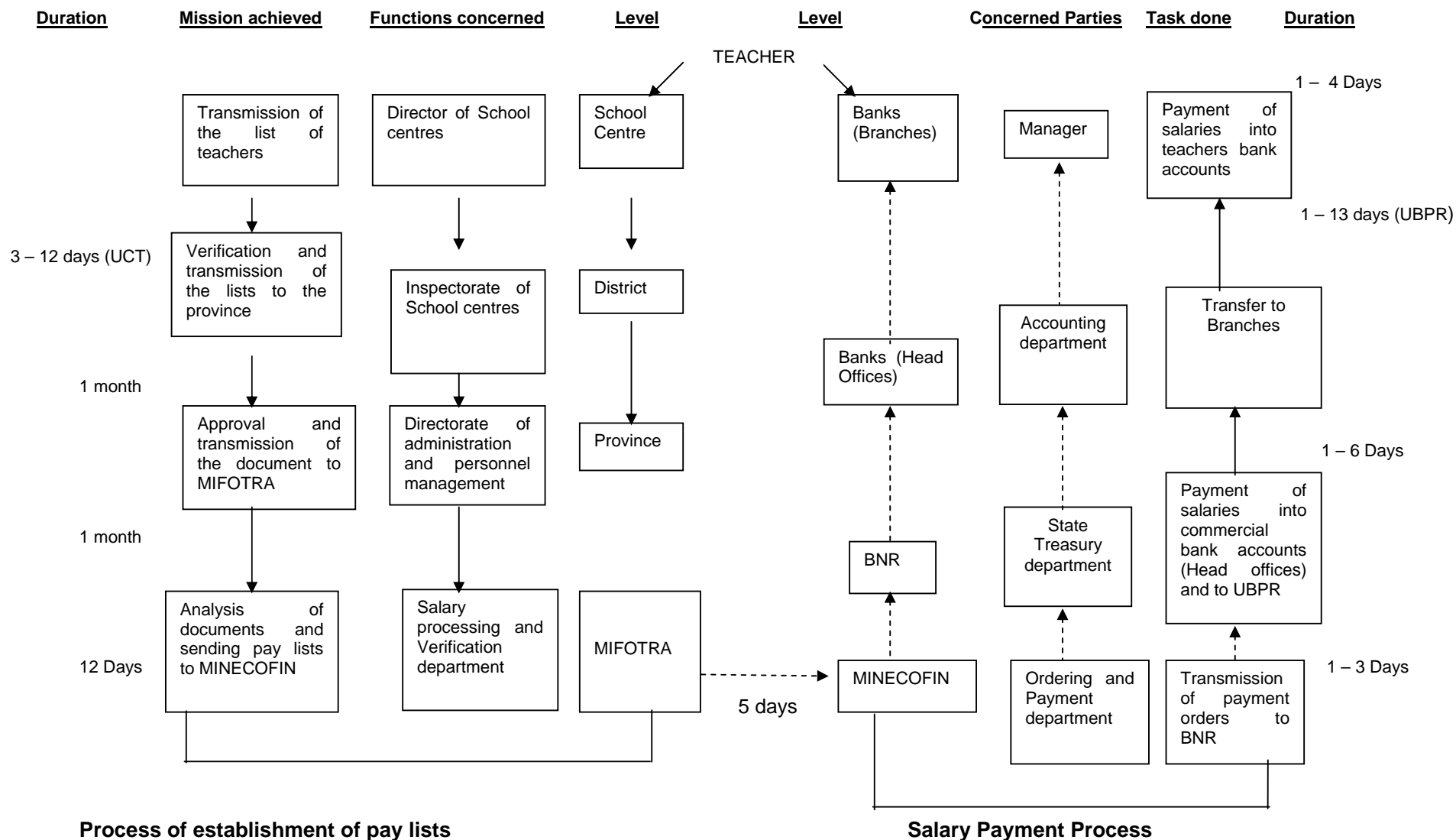


Table 3. Teachers Salary Administration (Year 2003)

Month Paid	Amount Paid	Total Number of Teachers	Date of sending payment orders from MIFOTRA to MINECOFIN	Approval date from budget at MINECOFIN	Date of the Payment orders from BNR	Date of salary transfers from BNR to commercial banks. (HQ)	Date of salary transfers from Head offices to the local bank braches	
							UCT	UBPR
January	1.256.493.357	30.829	29 January	30 January	31 January	03 February	From 6 to 12 / 02	<b>From 7 to 11 / 02</b>
February	1.312.538.780	31.050	24 February	25 February	25 February	26 February	From 2 to 5 / 03	From 27 /02 to 5/03
March	1.210.203.699	31.068	27 March	28 March	28 March	31 March	From 3 to 8 / 04	From 2 to 10 / 04
April	1.236.049.469	31.314	23 April	28 April	28 April	28 April	From 29/04 to 5/05	From 28/ 04 to 7/ 05
May	1.265.882.086	31.500	22 May	23 May	29 May	29 May	From 30/05 to 3/06	2 / 06
June	1.285.045.833	31.500	27 June	30 June	02 July	02 July	From 7 to 10/07	From 3 to 16 / 07
July	1.259.736.562	31.500	23 July	24 July	24 July	28 July	From 30/07 to 8/08	From 30 to 31 / 07
August	1.279.670.199	31.653	14 August	18 August	19 August	20 August	From 28/08 to 9/09	From 21 to 31/08
September	1.276.906.558	31.571	17 September	22 September	24 September	26 September	From 29/09 to 8/08	2 / 10
October	1.219.822.580	31.257	21 October	21 October	23 October	29 October	From 28 to 31 /10	From 28 to 29/10
November	1.294.173.358	30.777	24 November	24 November	27 November	28 November	From 5 to 11/ 12	5 / 12
December	1.039.404.361	31.765	22 December	23 December	23 December	23 December	From 29 to 31 / 12	From 27 to 28 / 12

(Source: Document created from data obtained from MIFOTRA, MINECOFIN, BNR, UCT and UBPR)

It was noted that the pay lists presented by MIFOTRA differ from those presented by the Directors of School centers. In effect, according to the survey results there is a total of 548 teachers who feature on the pay list of MIFOTRA and do not feature on the list presented by the school centers. This means that teachers who may have left their posts for further studies, been transferred to other schools or who are deceased continue to have their salaries released. On the other hand 273 teachers appear on the lists of school centres and not on the pay list of MIFOTRA. This may mean that there teachers transferred and not yet reported or new teachers, who have yet got their first salaries.

It was also found out that transfers of teachers are not reported in time. Transferred teachers are still recorded on the lists of their former schools. This has complicated the exercise of discovering ghost teachers. However, knowing that normally all teachers who have been transferred from a given school, have retired or have abandoned for a reason or another are replaced, meaning that the number of teachers doesn't change much during the school year, the difference of the 275 teachers between 548 teachers who feature on MIFOTRA list but not on school lists and the 273 teachers who feature on school lists but not on MIFOTRA list may be considered as possible ghost teachers.

Eventually when the change in the list of teachers is reported, the Governor of the Province gives the authorization to the bank to stop the salary payment for those who are no longer teachers. Salaries whose beneficiaries have not turned up after about three months are supposed to be returned to the Public treasury . According to UCT branch managers, the money is directly transferred from the branch to the account of the public treasurer called "crediteurs Etat rwandais". In the case of the Banques Populaires these salaries are transferred to UBPR (Head office) for onward transmission to the public treasury.

However it was found that UBPR has not payed these returned salaries for the last three years and the amount involved is huge as shown in table 8. It was found also than banques populaires branches before returning the unpaid salaries they retain the payment for credits contracted buy concerned teachers although they are no longer teachers. It means that the payment is made from the public money and not from the teachers money.

The following table shows the amounts detained at UBPR and which should be returned to the Treasury. These amounts relate to all unpaid salaries but the biggest part is made up of teacher's salaries.

**Table 4. Unpaid Salaries for the years 2001, 2002 and 2003 held at UBPR to be Returned to public treasury**

Reception date of Salaries at UBPR originating from Branches	Amounts Returned		
	Year 2001	Year 2002	Year 2003
31-January	53 061 100	170 093 053	85 771 268
28-February	55 460 485	171 183 120	86 703 440
31-March	72 494 587	175 761 124	91 213 290
30-Avril	102 007 147	178 332 514	96 060 664
31-May	103 205 561	808 407*	99 133 894
30-June	103 251 294	6 227 723	112 492 015
31-July	103 251 294	47 599 868	117 900 079
31-August	124 739 597	49 553 194	118 398 144
30-September	129 503 094	52 148 879	119 857 395
31-October	155 975 242	65 701 124	121 703 735
30-November	160 813 065	68 883 986	122 151 869
31-December	197 075 122	95 353 153	136 069 593
Total	1 360 837 588	1 081 646 145	1 307 455 386

\* After deduction of 186 592 805 Rwf due to UBPR by IMPRISCO)

Source: compiled from data collected from UBPR, Accounts department, September,2004

Since 2001 to date UBPR has not returned unpaid salaries to the Treasury and according to table 8 the total amount due is 3 749 939 Rwf.

### 3.1.1. Delays in the payments of salaries

**Table 5. Regularity of Salaries**

	Frequency	Percent
Yes	87	81.3
No	14	13.1
ND	6	5.6
Total	107	100

More than 81 % of the teachers surveyed affirmed that they receive their salaries regularly and 72% of these teachers are paid before the tenth of each month.



**Table 6. Date of Salary payment**

	Frequency	Percent	Cumulative Percentage
25 – 31	2	1.9	1.9
01 – 05	19	17.8	19.7
06 – 10	56	52.3	72
11 – 15	28	26.2	98.2
16 – 25	2	1.9	100
Total	107	100	

As mentioned by the Directors of School Centres, a new teacher received his first salary after more than three months of work. Only 4% of these Directors said that a new teacher is paid in less than two months.

**Table 7. Salary delay time for new teachers (According to the teachers)**

Delay	Frequency	Percent	Cumulative Percentage
< = 2 months	4	3.74	4.1
3 months and more	94	87.6	100
Total	98	91.6	
ND	9	8.4	
	107	100	

Given that the processing of documents takes place at different levels in the same province, 34% of the teachers attribute this delay to the slowness recorded in the collection of school centre reports, 37.5% think that it is attributable to the establishment of pay lists at the provincial level and 12.5% state that the delay comes from the processing of files at MINECOFIN.

**Table 8. Causes of delayed payment to the new teacher (According to the teachers)**

	Collection of reports from the school centres		Establishment of pay lists at the provincial level		Processing of documents at MINEDUC		Processing of Documents at MIFOTRA		Processing of Documents at MINECOFIN	
	Effective	%	Effective	%	Effective	%	Effective	%	Effective	%
ND	6	18.7	8	25	7	21.9	6	18.8	9	28.1
No	15	46.9	12	37.5	18	56.2	13	40.6	19	59.4
Yes	11	34.4	12	37.5	7	21.9	13	40.6	4	12.5
Total	32	100	32	100	32	100	32	100	32	100

Given that document processing takes place at different levels in the same province, 34% of the teachers attribute this delay to the time taken to collect documents from school centres, 37.5% think that this is caused by the establishment of pay lists at the provincial level and 12.5% argue that the delay is caused by the processing of documents at MINECOFIN.

Table 9. Causes of salary delays for new teachers (According to Directors of Education)

	Collection of reports from the school centres		Establishment of pay lists at the provincial level		Processing of documents at MINEDUC		Processing of Documents at MIFOTRA		Processing of Documents at MINECOFIN	
	Effective	%	Effective	%	Effective	%	Effective	%	Effective	%
ND	2	16.7	3	25	3	25	3	25	3	25
No	4	33.3	7	58.3	5	41.7	7	58.3	6	50
Yes	6	50	2	16.7	4	33.3	2	16.7	3	25
Total	12	100	12	100	12	100	12	100	12	100

The point of view of Directors is practically the same as that of teachers. 50% of these directors attribute these delays in salary payment to the collection of reports issued from school centres, 33.3% say that the treatment of documents at MINEDUC is the cause of these delays while 25% think that the main cause of these delays is the processing of documents at MINECOFIN.

### 3.1.2. Salary Arrears

Table 10. Salary Arrears 2002 - 2003

	2002 Arrears		2003 Arrears	
	Effective	%	Effective	%
ND	1	0.93	2	1.87
No	12	11.21	17	15.89
Yes	94	87.85	88	82.24
Total	107	100	107	100

Of the total teachers interviewed, 88% mentioned that they had salary arrears in 2002. In 2003 the number of teachers having salary arrears reduced slightly to 82%.

Table 11. Degree of knowledge of amounts in arrears

Period	Yes		No		Total	
	Effective	%	Effective	%	Effective	%
2002 Arrears	60	56.1	47	43.9	107	100
2003 Arrears	50	46.7	57	53.3	107	100

From the survey results 56 % of teachers know the amounts due to them in salary arrears in 2002 while in 2003 only 47% of those interviewed knew their arrears. The reason for this lack of knowledge is that the teachers are not provided with detailed pay slips or pay advice slips.

The problem here is that these teachers (56%) cannot evaluate to the last cent the exact amount of their salary arrears much less their detailed calculation of their salaries. That is to say that the deduction that are retained at source remain

unknown by the beneficiary. This is the case mainly with reviews, taxes and levies that are borne by the beneficiary. It was found also that teachers never receive pay slips, they receive whatever salary transferred to their accounts.

**Table 12. Nature of arrears (Point of view of Teachers)**

Respondent		Monthly Salary		Review		Allowances	
	Validated	Effective	%	Effective	%	Effective	%
Teacher	Yes	46	42.99	60	56.07	17	15.9
	N/A	61	57	41	43.9	90	84.1
	Total	107	100	107	100	107	100

According to the survey results, arrears come from different sources. 56% of the teachers declared that their salary arrear comes from cotes which are not taken into account, 43 % stated that the issue was about salary arrears and 16% said that the issue was about failure to take into account allowances.

**Table 13. Nature of Arrears (Point of view of Inspectors)**

Respondent		Monthly Salary		Review		Allowances	
	Validated	Effective	%	Effective	%	Effective	%
Inspector	Yes	26	72,2	27	75	28	77,8
	N/A	10	27,8	9	25	8	22,2
	Total	36	100	36	100	36	100

For inspectors of school centres the nature of arrears is different from that disclosed by teachers. 8 % of the respondent inspectors were in agreement that these arrears arise mainly because of updating of files, 75% say that the cause of the advancement in grade while 72% of these school inspectors associate the nature of salary delays to the annual review exercise.

**Table 14. Nature of Arrears (Point of view of Directors of Education)**

Respondent		Monthly Salary		Review		Allowances	
	Validated	Effective	%	Effective	%	Effective	%
Director of Education	Yes	8	66,7	7	58,3	8	66,7
	N/A	4	33,3	5	41,7	4	33,3
	Total	12	100	12	100	12	100

67% of the Education Directors state that the nature of salary arrears is caused by either the updating of documents or the annual reviews. 58.3% of these directors say that these arrears relate to advancement in grade.

**Table 15. Causes of arrears**

	<b>Effective</b>	<b>%</b>
Personnel incompetence	7	6.5
Administrative slowness	62	57.9
Lack of funds	19	17.7
Others	2	1.8
N/A	17	15.9
<b>Total</b>	<b>107</b>	<b>100</b>

Of the 107 Teachers, 58% of them consider the principal cause of arrears to be administrative slowness imputed to all the institutions involved in the processing of teacher salaries, 18% say that these arrears are due to the lack of funds and 6% of those interviewed argue that staff incompetence is the probable cause of their arrears.

### **3.1.3. Salary Satisfaction and its impact on the quality of service**

**Table 16. Salary Satisfaction of teachers**

Respondent	Validated	Frequency	Percent
Teacher	Yes	7	6,5
	No	94	87,9
	N/A	6	5,6
	Total	107	100

The survey revealed that 88% of the teachers are not satisfied with the amount of their salary. They argue that because of their low salaries they have difficulties in meeting their daily obligations.

**Table 17 Impact of Salary on quality of work (Point of view of teachers)**

Note	Motivation at work		Stability at work		Initiative at School		Presence at work		Punctuality at work	
	Number	%	Number	%	Number	%	Number	%	Number	%
0	7	6.5	5	4.7	6	5.6	8	7.5	12	11.2
1	9	8.4	7	6.5	11	10.3	13	12.5	9	8.4
2	10	9.3	7	6.5	11	10.3	6	5.6	7	6.5
3	27	25.2	27	25.2	23	21.5	22	20.6	18	16.8
4	22	20.6	29	27.1	26	24.3	23	21.5	23	21.5
5	26	24.3	24	22.4	23	21.5	28	26.2	30	28.0
Total	101	94.4	99	92.5	100	93.5	100	93.5	99	92.5
NA	6	5.6	8	7.5	7	6.5	7	6.5	8	7.5
Total	107	100	107	100	107	100	107	100	107	100

**Table 18. Impact of Salary on the quality of work (Point of view of Directors of Primary schools)**

	<b>Motivation at work</b>		<b>Stability at work</b>		<b>Initiative at School</b>		<b>Presence at work</b>		<b>Punctuality at work</b>	
Note	Number	%	Number	%	Number	%	Number	%	Number	%
0	10	9.4	12	11.2	11	10.3	16	14.9	16	14.9
1	10	9.3	11	10.3	14	13.1	10	9.3	11	10.3
2	25	23.4	15	14.0	12	11.2	6	5.6	9	8.4
3	22	20.6	20	18.7	20	18.7	17	15.9	12	11.2
4	24	22.4	25	23.4	23	21.5	25	23.4	25	23.4
5	13	12.1	23	21.5	24	22.4	30	28.0	29	27.1
Total	104	97.2	106	99.1	104	97.2	104	97.2	102	95.3
ND	3	2.8	1	0.9	3	2.8	3	2.8	5	4.7
Total	107	100	107	100	107	100	107	100	107	100

(Key : 5. Very Strong; 4. Strong; 3. Fairly Strong; 2. Weak; 1. Very Weak; 0. Nil)

In addition to the salary of teachers, which is judged insufficient by its beneficiaries, the latter are equally confronted by the problem of accumulated salary arrears for many years. According to the survey results 34% of the teachers noted that salary has a negative influence on the motivation of teachers in their work.

**Table 19. Impact of Salary on the quality of work (Point of view of Inspectors of School sectors)**

	<b>Motivation at work</b>		<b>Stability at work</b>		<b>Initiative at School</b>		<b>Presence at work</b>		<b>Punctuality at work</b>	
Notes	Number	%	Number	%	Number	%	Number	%	Number	%
0	2	6.2	1	3.1	1	3.1	1	3.1	1	3.1
1	2	6.2	4	12.5	2	6.2	1	3.1	2	6.2
2	1	3.1	1	3.1	2	6.2	4	12.5	3	9.4
3	7	21.9	3	9.4	7	21.9	4	12.5	4	12.5
4	5	15.6	8	25.0	8	25.0	10	31.2	9	28.1
5	12	37.5	12	37.5	9	28.1	9	28.1	10	31.2
Total	29	90.6	29	90.6	29	90.6	29	90.6	29	90.6
ND	3	9.4	3	9.4	3	9.4	3	9.4	3	9.4
Total	32	100	32	100	32	100	32	100	32	100

(Key : 5. Very Strong; 4. Strong; 3. Fairly Strong; 2. Weak; 1. Very Weak; 0. Nil)

There is a convergence in views between Inspectors of school sectors and other agents in the education sector. 53% of these inspectors strongly argue that salary has a major influence on the quality of the teachers work. 62.5% of them say that stability at work is equally influenced by salary.

**Table 20. Impact of Salary on the quality of work (Point of view of Directors of Education)**

	<b>Motivation at work</b>		<b>Stability at work</b>		<b>Initiative at School</b>		<b>Presence at work</b>		<b>Punctuality at work</b>	
Marks	Number	%	Number	%	Number	%	Number	%	Number	%
0	1	8.3	<b>0</b>	0.0	1	8.3	1	8.3	1	8.3
1	0	0.0	2	16.7	2	16.7	2	16.7	0	0.0
2	1	8.3	1	8.3	0	0.0	2	16.7	4	33.3
3	1	8.3	1	8.3	4	33.3	2	16.7	1	8.3
4	2	16.6	5	41.7	3	25.0	3	25.0	1	8.3
5	5	41.6	2	16.7	1	8.3	1	8.3	2	16.7
Total	10	83.3	11	91.7	11	91.7	11	91.7	9	75.0
ND	2	16.7	1	8.3	1	8.3	1	8.3	3	25.0
Total	12	100	12	100	12	100	12	100	12	100

(Key : 5. Very Strong; 4. Strong; 3. Fairly Strong; 2. Weak; 1. Very Weak; 0. Nil)

Among the Education Directors who participated in this research 58% of them said that the salaries that teachers receive has a negative impact on the quality of their work and on their job stability.

In spite of all these salary related problems the teachers are constrained to remain in their posts of work. However the teaching profession is seen as a "Vocation" that is governed by a professional conscience. That is confirmed by the regular punctuality, and sense of initiative at work that characterise primary school teachers.

#### **3.1.4. Teacher Transfers**

Within the same province teacher transfers do not cause any problem as far as salaries are concerned. However when a teacher is transferred to another province he has to go through the procedure of reconstructing his documents. This process is one of the things that cause salary delays. According to the survey results 35% of the respondents said that a transferred teacher usually receives his salary one month late.

**Table 21. Receipt of salary after a transfer**

Number of Months	Frequency	Percent
1	37	34.6
2	2	1.9
3	8	7.5
4	3	2.8
5	1	0.9
6	3	2.8
7	2	1.9
8	1	0.9
9	1	0.9
12	2	1.9
Total	60	56.1
ND	47	43.93
Total	107	100

### **3.1.5. Temporary replacements of teachers**

In reality primary schools do not have recognized teacher replacements. In the case of need these replacements are engaged by the school and paid by MINEDUC. However the directors of primary schools complain of a lack of funds for paying these replacement teachers in time because the process of payment with MINEDUC and MIFOTRA in cases of replacements is too long. It happens that these teachers receive salary advances from the Capitation grant.

In addition to the problem of lack of funds for paying replacement teachers these teachers are also confronted with the slowness in administration procedures encountered in the transfer of their documents by those in charge.

In effect the replacement reports for temporary replacement are transmitted by the inspector of the school sector to the provincial director of education who forwards them for approval to the Governor of the Province. After receiving the claim reports MINEDUC proceeds to pay the salaries of replacement teachers through MIFOTRA. These replacement teachers are only paid once a year. Replacements usually concern female teachers in maternity leave.

### **3.1.6. Decentralisation of Salary Administration**

**Table 22. Effect of decentralisation on Salary**

Effect	Frequency	Percentage
Improvement	72	67.3
No Effect	30	28.0
Deterioration	2	1.9
N/A	3	2.8
<b>Total</b>	<b>107</b>	<b>100</b>

The recent decentralisation has contributed to the improvement of management of salaries. This is confirmed by 67% of the respondents. All the same 28% of the respondents argue that decentralisation has had no effect and that their salaries are still encumbered with problems of administration. A small percentage of those surveyed (2%) argued that the decentralisation of salary administration system has in fact worsened the situation.

**Table 23. Structure of allocation of expenses on salary**

<b>% Allocated Expenses</b>	<b>&lt; = 25</b>	<b>%</b>	<b>25 - 50</b>	<b>%</b>	<b>50 - 75</b>	<b>%</b>	<b>&gt; 75</b>	<b>%</b>	<b>N/A</b>	<b>%</b>	<b>Total respondents</b>
Food	6	5.6	31	29	33	30.8	36	33.6	1	0.9	107
Education	65	60.7	20	19	3	2.8	1	0.9	18	16.8	107
Health	93	86.9	4	3.7	0	0.0	0	0.0	10	9.3	107
Investment	64	59.8	5	4.7	1	0.9	0	0.0	37	34.6	107

Though teacher salary is judged insufficient by the beneficiaries, it is spread out to cover their daily needs. According to the survey results it emerged that more than 64% of those interviewed allocated at least 50% of their salary to food. In the same token at least 50% of the teachers salary hardly covers 4% in education, 1% in investment and nothing in health care.



## **3.2. Primary School Capitation Grants**

### **3.2.1. Definition and history**

Also referred to as the Fund for educational support the subsidies to Primary schools or “Capitation grant” is a kind of support to school centres for their functioning.

With the policy of “education for all”, MINEDUC sought a solution that would allow all children to have access to basic education and at the same time help in the control of the management of school fees. It is in this sense that the idea of the capitation grant was born. It entails the payment of school fees by MINEDUC for all students in Primary school and consequently basic education becomes free and compulsory.

The fund stands at 100 RwfFrw per student per term and helps in the purchase of chalk, undertaking small repairs. The budget for the Capitation grant for the school year 2003 – 2004 stood at 610,645,699 FRwfrw. The first tranche was paid with a slight delay in November 2003. According to the Director of School Teaching at MINEDUC this delay was occasioned by the fact that many Primary schools did not have their own bank accounts. The bank accounts belong to the owners of the schools who in most cases are religious associations who were opposed to the schools having their own accounts but when the Ministry required it that gave in and opened accounts in the Names of the schools.

### **3.2.2. Flow and management system**

The Directors of primary school transmit to the Sector Inspector a report detailing the number of students who attend their respective schools. This report is transmitted to the Provincial Directorate of Education then to MINEDUC to be approved and forwarded to MINECOFIN.

It is on the basis of this report that the National Bank of Rwanda (BNR) carries out the Bank transfers to the bank accounts (Head Quarters) then to the school bank accounts in the branches of the Banques Populaires. The Banks charges commissions to the beneficiaries of the capitation grant funds. These commissions stand at 500 Rwf for amounts less than 500,000 and at 2% for an amount that is more than 500,000 Rwf

**Figure 3 Flow of Capitation grant funds**

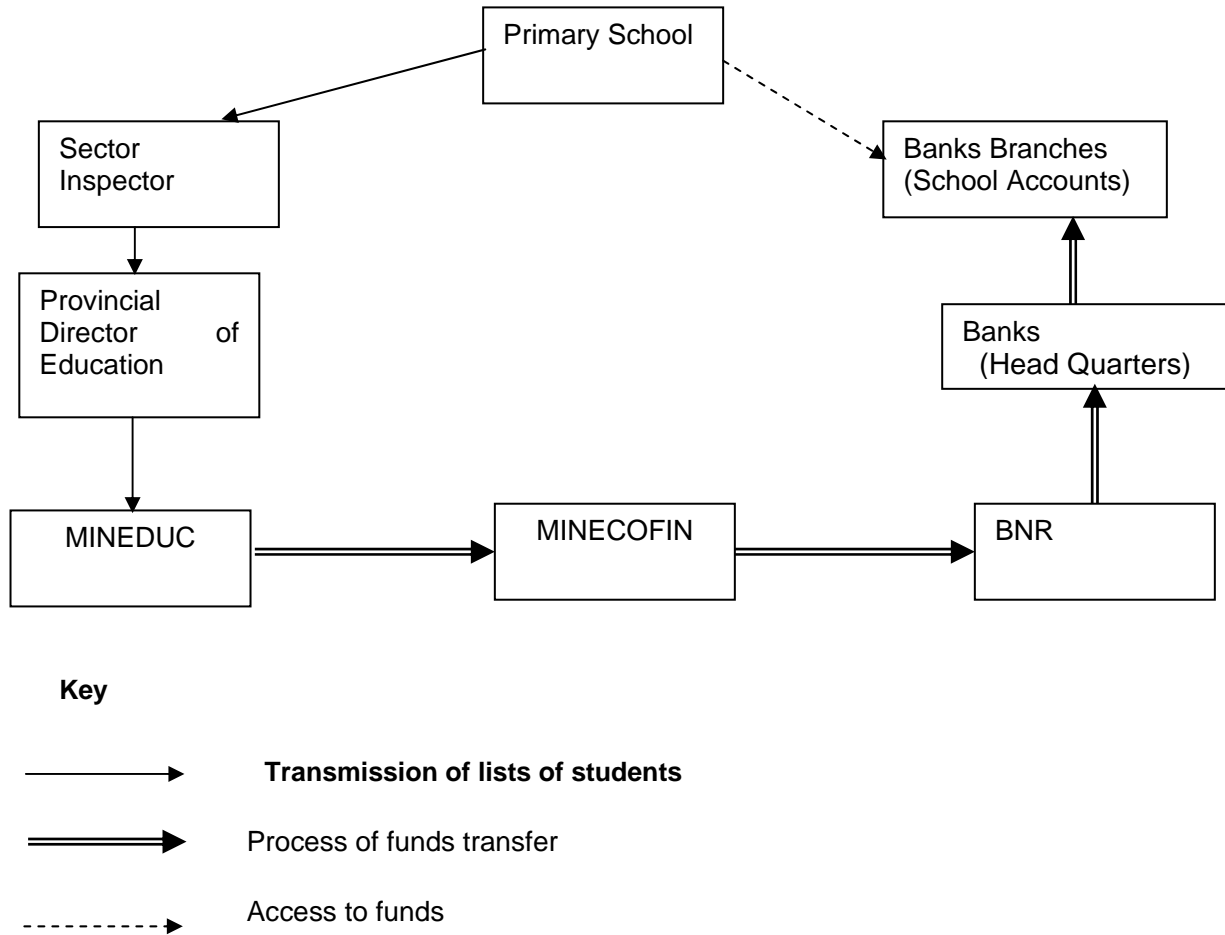


Table 24. Channel for the transfer of the Capitation grant from MINECOFIN to School Centres (School year 2003 – 2004)

First Term											
Province	Commencement date at MINEDUC	Signature date at MINEDUC	Approval Date at MINECOFIN	Payment Order MINEDUC	Payment Order placed at MINECOFIN	Amount	Transfer date BNR to Banks	Receipt Date at UBPR	Transfer date into BP	Amount	Receipt date at the school centre
Umutara	28/7/03	24/9/2003	24/9/2003	24/9/2003	29/10/2003	8 780 400	21/11/03	21/11/03	24/11/03	8 460 900	
Kigali-Ngali	28/7/03	24/9/2003	24/9/2003	24/9/2003	29/10/2003	16 548 700	21/11/03	21/11/03	24/11/03	15 319 600	26 Nov to 3 Dec
Ruhengeri	28/7/03	24/9/2003	24/9/2003	24/9/2003	29/10/2003	20 538 200	21/11/03	21/11/03	24/11/03	18 537 300	24 to 27 Nov
MVK	28/7/03	24/9/2003	24/9/2003	24/9/2003	29/10/2003	7 250 000	21/11/03	21/11/03	24/11/03	4 831 200	
Byumba	28/7/03	24/9/2003	24/9/2003	24/9/2003	29/10/2003	12 702 100	21/11/03	21/11/03	24/11/03	12 615 800	3 Dec
Gisenyi	28/7/03	24/9/2003	24/9/2003	24/9/2003	29/10/2003	19 814 200	21/11/03	21/11/03	24/11/03	1 584 600	27 Nov to 15 Dec
Gikongoro	28/7/03	24/9/2003	24/9/2003	24/9/2003	29/10/2003	9 039 900	21/11/03	21/11/03	24/11/03	8 347 100	4 to 30 Dec
Butare	28/7/03	24/9/2003	24/9/2003	24/9/2003	29/10/2003	12 204 900	21/11/03	21/11/03	24/11/03	10 984 200	28 Nov to 31 Dec
Cyangugu	28/7/03	24/9/2003	24/9/2003	24/9/2003	29/10/2003	12 269 500	21/11/03	21/11/03	24/11/03	12 057 500	
Kibuye	28/7/03	24/9/2003	24/9/2003	24/9/2003	29/10/2003	10 280 000	21/11/03	21/11/03	24/11/03	10 225 100	28 to 29 Nov
Kibungo	28/7/03	24/9/2003	24/9/2003	24/9/2003	29/10/2003	14 438 900	21/11/03	21/11/03	24/11/03	14 080 900	26Nov to 3 Dec
Gitarama	28/7/03	24/9/2003	24/9/2003	24/9/2003	29/10/2003	16 901 200	21/11/03	21/11/03	24/11/03	16 141 600	2 December

Source: PETS 2004 Findings

Table 25. Circuit for transfer of the Capitation grant from MINECOFIN to School Centres (School year 2003 – 2004)

Second Term											
Province	Commencement date at MINEDUC	Signature date at MINEDUC	Approval Date at MINECOFIN	Payment Order MINEDUC	Payment Order placed at MINECOFIN	Amount	Transfer date BNR to Banks	Receipt Date at UBPR	Transfer date into BP	Amount	Receipt date at the school centre
Umutara	18/3/2004	14/5/2004	14/5/2004	14/5/2004	14/5/2004	9 558 600	20/5/2004	25/5/2004	25/5/2004	9 219 800	
Kigali-Ngali	18/3/2004	14/5/2004	14/5/2004	14/5/2004	14/5/2004	17 722 200	20/5/2004	25/5/2004	25/5 to 3/6/04	16 534 500	7 to 15 June
Ruhengeri	18/3/2004	14/5/2004	14/5/2004	14/5/2004	14/5/2004	20 160 600	20/5/2004	25/5/2004	25 au 27/5	18 063 400	
MVK	18/3/2004	14/5/2004	14/5/2004	14/5/2004	14/5/2004	8 048 700	20/5/2004	25/5/2004	28/5/2004	5 343 900	
Byumba	18/3/2004	14/5/2004	14/5/2004	14/5/2004	14/5/2004	13 355 000	20/5/2004	25/5/2004	28/5/2004	1 298 400	21 June to 2 July
Gisenyi	18/3/2004	13/5/2004	14/5/2004	14/5/2004	14/5/2004	20 535 200	20/5/2004	25/5/2004	28/5/2004	19 958 000	28 to 30 June
Gikongoro	18/3/2004	14/5/2004	14/5/2004	14/5/2004	14/5/2004	9 929 400	20/5/2004	25/5/2004	28/5/2004	9 153 900	4 to 23 June
Butare	18/3/2004	14/5/2004	14/5/2004	14/5/2004	14/5/2004	13 517 100	20/5/2004	25/5/2004	28/5/2004	12 375 900	24 June to 6 July
Cyangugu	18/3/2004	14/5/2004	14/5/2004	14/5/2004	14/5/2004	13 141 900	20/5/2004	25/5/2004	28/5/2004	12 952 000	28 to 29 June
Kibuye	18/3/2004	14/5/2004	14/5/2004	14/5/2004	14/5/2004	10 857 400	20/5/2004	25/5/2004	28/5/2004	10 779 100	28 au 30 June
Kibungo	18/3/2004	14/5/2004	14/5/2004	14/5/2004	14/5/2004	15 644 700	20/5/2004	25/5/2004	28/5/2004	15 393 100	1 to 23 June
Gitarama	18/3/2004	14/5/2004	14/5/2004	14/5/2004	14/5/2004	18 177 700	20/5/2004	25/5/2004	28/5/2004	17 446 600	22 to 26 June

Source: PETS 2004 Findings

Table 26. Circuit for transfer of the Capitation grant from MINECOFIN to School Centres (School year 2003 – 2004)

Third Term											
Province	Commencement date at MINEDUC	Signature date at MINEDUC	Approval Date at MINECOFIN	Payment Order MINEDUC	Payment Order placed at MINECOFIN	Amount	Transfer date BNR to Banks	Receipt Date at UBPR	Transfer date into BP	Amount	Receipt date at the school centre
Umutara	23/6/2004	2/7/2004	2/7/2004	2/7/2004	2/7/2004	9 558 600	9/7/2004	9/7/2004	6/9/2004	9 219 800	13 au 14 Sept
Kigali-Ngali	23/6/2004	2/7/2004	2/7/2004	2/7/2004	2/7/2004	17 722 200	9/7/2004	9/7/2004	From 6 to 13/9/2004	16,534,500	14 to 15 Sept
Ruhengeri	23/6/2004	2/7/2004	2/7/2004	2/7/2004	2/7/2004	20 160 600	9/7/2004	9/7/2004	7/9/2004	18 063 400	
MVK	23/6/2004	2/7/2004	2/7/2004	2/7/2004	2/7/2004	8 199 900	9/7/2004	9/7/2004	From 4 to 10/9/2004	5 495 100	
Byumba	23/6/2004	2/7/2004	2/7/2004	2/7/2004	2/7/2004	13 430 800	9/7/2004	9/7/2004	6/9/2004	13,340,400	
Gisenyi	23/6/2004	2/7/2004	2/7/2004	2/7/2004	2/7/2004	20 850 200	9/7/2004	9/7/2004	7/9/2004	20 263 600	
Gikongoro	23/6/2004	2/7/2004	2/7/2004	2/7/2004	2/7/2004	9 929 400	9/7/2004	9/7/2004	6/9/2004	9 153 900	
Butare	23/6/2004	2/7/2004	2/7/2004	2/7/2004	2/7/2004	13 366 400	9/7/2004	9/7/2004	7/9/2004	12 375 900	
Cyangugu	23/6/2004	2/7/2004	2/7/2004	2/7/2004	2/7/2004	13 141 900	9/7/2004	9/7/2004	7/9/2004	12 952 000	
Kibuye	23/6/2004	2/7/2004	2/7/2004	2/7/2004	2/7/2004	10 857 400	9/7/2004	9/7/2004	6/9/2004	10 779 100	
Kibungo	23/6/2004	2/7/2004	2/7/2004	2/7/2004	2/7/2004	15 739 000	9/7/2004	9/7/2004	6/9/2004	15 451 200	1 September
Gitarama	23/6/2004	2/7/2004	2/7/2004	2/7/2004	2/7/2004	18 365 600	9/7/2004	9/7/2004	7/9/2004	17 634 500	

Source: PETS 2004 Findings

Capitation grant is run collegially. This collegial committee is comprised of the Director of the Primary school and two parents one of whom is the President of the Committee and the other is a treasurer.

A meeting of Sector inspectors and of the collegial committee is organized and directed by MINEDUC to put in place appropriate models for the use of these funds. According to the Director of School teaching at MINEDUC this was done to try and improve the management of funds because it was noted that

- Neither the Ministry neither the Province nor the District had a control mechanism for the utilization of these funds. The reports from districts were not reliable but coupled with that the Audit function at MINEDUC could not go through all the school centres
- The School authorities used to send home children who were unable to pay school fees and some were obliged to quit school.

The Director of the school centre is accountable for the use of funds to the Inspector of the School sector, the parents committee and the school proprietor. Some accounting documents are used for the daily management of the funds. This includes a cash book (To record inflow and outflow of funds) and a Bankbook. In order to appreciate the use of the capitation grant funds the Provincial Director of Education, Youth and Culture to finances an audit mission.

The first tranche of capitation grant funds was disbursed for the academic year 2003 – 2004 on the basis of the list of students for the 2002 – 2003 academic year while for the second and third terms it was calculated on the basis of the actual students during the year 2003 – 2004..

It was found out that this fund is not regular. In addition the payments for the last two semesters were calculated differently whereas the basis of calculation i.e. the list of student remained the same for the school year. This fund is paid at the end of each term in the accounts of Primary schools.

Capitation grant funds are judged insufficient bearing in mind the needs of the different schools. This forces the schools to ask parents to make additional payments. In Kigali this additional payment varies between 400 and 2000 Frw per student per term while in other provinces it varies between 50 and 500 Frw per student per term.

## Effects of the capitation grant

Table 27. School reintegration on receipt of capitation grant

Valid	Frequency	Percentage	Cumulative Percentage
Yes	72	67,3	67.3
No	29	27,1	94.4
N/A	6	5,6	100
Total	107	100	

In spite of the irregularity and the insufficiency of the capitation grant funds 67% of the Directors of schools argue that thanks to these funds, in 107 school centers, 72 students per school centre on average had return to school for the 2003-2004 academic year.

Table 28. Usage of the Capitation grant

Validated	Purchase of Chalk		Purchase of Teaching Material		Culture and Leisure		Minor Repairs	
	Effective	%	Effective	%	Effective	%	Effective	%
Non	3	2.8	4	3.7	42	39.2	7	6.5
Yes	99	92.5	94	87.9	52	48.6	89	83.2
N/A	5	4.7	9	8.4	13	12.1	11	10.3
Total	107	100	107	100	107	100	107	100

The Capitation grant is used in the purchase of chalk, school equipment, carrying out minor repairs and the running of the Inspection of the school sector. According to the survey results, 92% of the directors of school centres say that the money received was used to buy chalk, 88% say that these funds were used in the purchase of teaching material, 83% say that the money was used for minor repairs and 49% used it to promote culture and leisure activities within their schools.

### **3.3. FARG in Secondary Schools**

#### ***Definition and Mission***

The National Fund for the Assistance of the survivors of the genocide and of the Rwandese Massacres is a public institution with a legal personality created for an indefinite period. It is placed under the tutelage of the Ministry in which social affairs falls.

FARG's mission is to help not only genocide survivors but all those survivors who are in need. This assistance has special significance in education, health and accommodation. It is specially intended for orphans, widows and the handicapped.

#### ***Selection criteria for beneficiary students***

In order to benefit from FARG funds the student must:

- Be a survivor of the genocide and be needy
- Not be a beneficiary of any other scheme
- Have passed in his previous academic year

The selection is made at the sectoral level according to the prescribed criteria. The sectoral committee makes its observations and transmits its opinion to the Vice-Mayor in charge of social affairs who then makes an attestation to the needy student for eventual admission to school as a needy student survivor of the genocide. The schools submit the lists to the provincial FARG co-ordinator after having made the physical and administrative checks. The list is then submitted to the Provincial Director of Education for approval. On the basis of the formulated demands by the schools the head office of FARG makes the funds transfers to the different secondary schools.



### ***Management of the FARG funds***

The budget voted by the National Assembly for FARG during the Financial year 2003 amounts to 5.895.221.705 Rw2f Included in this figure is a figure of 4.928.952.552 Rwf for education, 578.834.306 Rwf for health and 387.434.847 Rwf for administration<sup>2</sup>

The resources of FARG are comprised of:

- 1 % of the basic salary of public servants, workers of semi-public institutions and other private institutions.
- 5 % of the governments own revenue which remains as approved by the Funds managers. It is the only sure source and is also substantial.

On the basis of the pay list coming from MIFOTRA, MINECOFIN carries out the operation of deduction and retaining salaries for the benefit of those whom it is designed for. This is 1% of the basis salary of public servants, which is transmitted to FARG account at BNR. In the case of salaries of staff in private institutions the retained portion is deposited directly in the FARG accounts in commercial banks.

The management is led by the provincial coordinator who received the funds coming from the FARG national office and makes deposits in the school accounts after a physical check of the beneficiary students.

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<sup>2</sup> Law fixing state finances for the year 2003 and other fiscal laws.

<u>Duration</u> (in days)	<u>Task done</u>	<u>Parties concerned</u>	<u>Level</u>	<u>Level</u>	<u>Parties concerned</u>	<u>Task done</u>	<u>Duration</u> (in days )
				Beneficiary Students			
	Selection of beneficiary students	Sector Counselor	Sector		Secondary Schools	Manager	
	Granting an attestation to the beneficiary	Vice-Mayor in charge of Social affairs	District		Commercial Banks (Head Offices)	Accounting Department	
	- Physical check on the basis of school requests - Approval of lists of beneficiaries	-FARG Coordinator of education	Province		BNR	State Treasury Department	
	Transmission of Payment Orders BNR	Executive Secretary of FARG	National Level		MINECOFIN	Ordering and Payment Department	
						Payment in the commercial bank accounts	
						Payment on the accounts of Schools	

Table 29. Contributions to FARG (Year 2003)

Period	Contribution of the State workers		Contribution of the State			
	Payment date	Amount Paid	Date of funds request from MINECOFIN	Amount Requested for	Date of receipt of funds (FARG Head Office)	Amount Received
January	21-Jan-03	10 636 760	24-Jan-03	491 268 475	13-Feb-03	491 268 475
February	25-Feb-03	10 773 199	07-Feb-03	491 268 475	09-Apr-03	491 268 475
March	28-Mar-03	10 813 224	11-Mar-03	491 268 475	05-Jun-03	491 268 475
April	28-Apr-03	10 949 986	04-Apr-03	491 268 475	15-Dec-03	491 268 475
May	29-May-03	11 125 521	06-May-03	491 268 475	05-Jan-04	491 268 475
June	02-Jun-03	11 229 527	10-Jun-03	491 268 475	16-Oct-04	491 268 475
July	24-july-03	8 923 139	08-July-03	491 268 475	17-May-04	491 268 475
August	19-Aug-03	11 347 297	13-Aug-03	491 268 475	-	491 268 475
September	24-Sept-03	11 901 511	16-Sept-03	491 268 475	-	0
October	23-Oct-03	8 904 757	15-Oct-03	491 268 475	-	0
November	27-Nov-03	11 971 020	13-Nov-03	491 268 475	-	0
December	23-Dec-03	12 107 746	13-Dec-03	491 268 475	-	0
<b>Total</b>		<b>130 683 687</b>		<b>5 895 221 700</b>		<b>3 930 147 800</b>

(Source: FARG, Annual Report 2003)

This table shows that a total sum of 4,060,831, 487 FRW was paid to the FARG account. In the last four months of year 2003 the contribution of the State was not regular and was not paid in full thus arousing some light disturbances in the functioning of FARG

#### ***Nature of the assistance that FARG offers***

FARG intervenes in the payment of:

- School fees
- School material
- Boarding equipment
- School uniform
- Emergency assistance (Training during the school holidays),
- Medical fees

Table 30. Nature of assistance offered from the FARG Fund

Validated	Number	%
School Fees	47	97.9
School Equipment	47	97.9
Boarding Equipment	38	79.1
School Uniform	48	100

Among the 48 beneficiary students of FARG the great part of them (97.9) confirm that FARG has intervened in the payment of their school fees and school

equipment. 100% of them say that FARG has paid for their school uniform (Two pairs of uniform per school year) and 79.1% state that they have benefited from boarding equipment.

Given the nature of the assistance that FARG offers and comparing it with other assistance funds FARG is considered as a regular payer which is well organized and reliable.

Practically all those surveyed as well as beneficiaries congratulate FARG for its work and express satisfaction with its services.

**Table 31. Regularity of the FARG funds**

Validated	Effective	Percentage
Yes	29	60
No	16	33
N/A	3	7
Total	48	100

Of the total of 48 beneficiary students of the FARG funds 60% appreciate the regularity of these funds. It is worth nothing here that the State of Rwanda did not pay its contribution of 1,965,073,900 FRW for the last four months of year 2003. This could be the reason for the delayed assistance from FARG funds to the students and to the secondary schools who all appreciate the service rendered.

### **3.4. Education Support Funds in Secondary Schools**

#### **3.4.1. Selection Criteria for Beneficiaries**

The Education support funds or the Funds for the assistance of vulnerable children helps these children in the payment of school fees in secondary schools. This is a fund opened by MINALOC to help children who are considered vulnerable and who are not beneficiaries of the FARG funds.

To benefit from these education support funds the student should be needy, from a poor family, an orphan or having parents in prison. The Vice-Mayor in charge of social affairs makes out an attestation about the needy student.

The education support fund is shared out among the different districts on the basis of the size of the population per district and only covers school fees.

It has been noted that the lists of beneficiary students contain some anomalies notably the lack of transparency in creating this lists at the District level. In this regard the identity of the beneficiary students is not complete as shown below:

- The names of the parents of the beneficiary are missing;
- The dates of birth only show years;
- The first names of the Beneficiary student are not indicated; ...etc.

#### **3.4.2. Flow and administration of education support funds in schools**

Before decentralization the education support funds were managed by MINALOC in the Directorate of social affairs. A list of students who could benefit from these funds was made available and the payment was done by bank transfer to the accounts of secondary schools as a function of the number of students. The amount paid is 7000 per student per term for Public schools and 10,000 Frw for private schools. Currently the fund is managed by districts.

The districts initiate a selection process in different sectors and in the basic institutions. This selection is done on the basis of poverty level and the amount received.

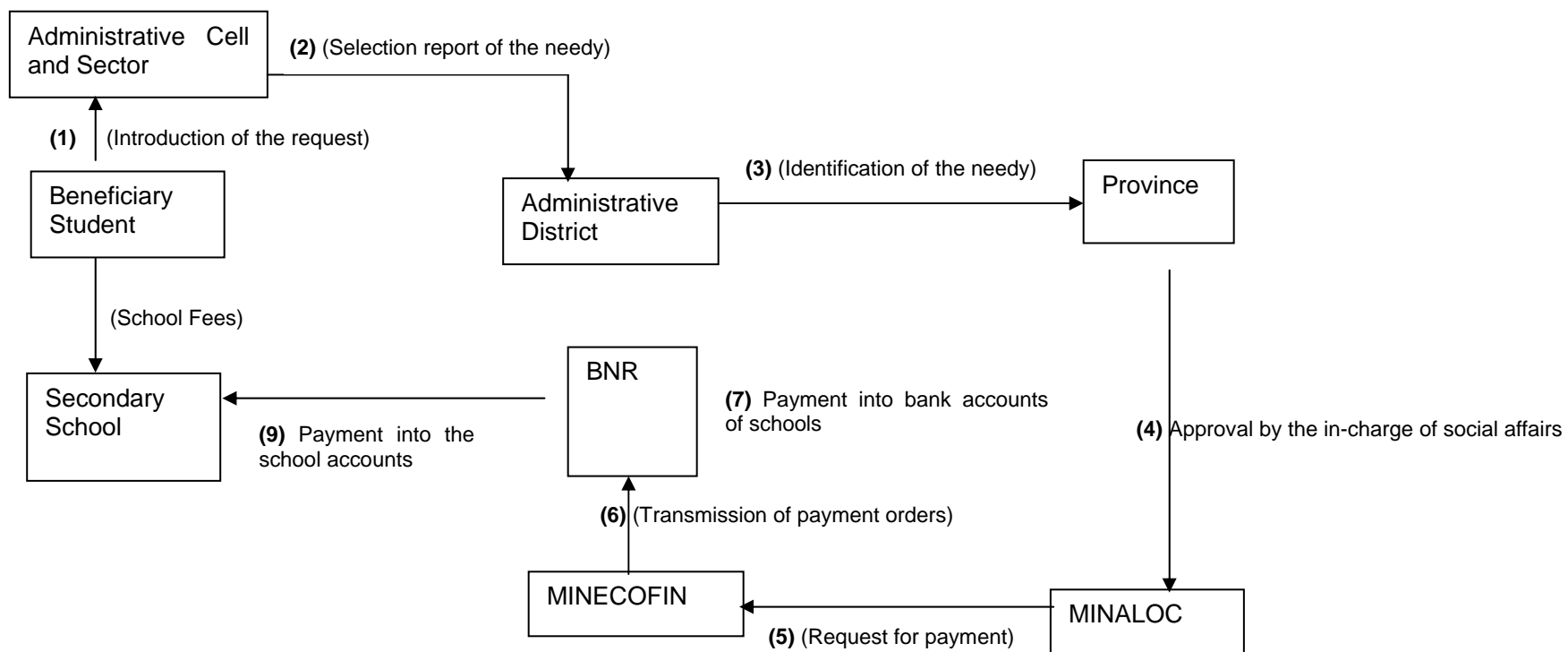
Generally, this fund is transferred from the province to the district by bank transfer to the accounts of school establishments within banks if the schools attended by the students are in the same district. In other cases the fund is paid in cash if the beneficiary student studies in a school far away from his home. This presents negative consequences to the extent that being poor and without other resources the student uses the money received for other basic needs such as transport, clothing etc.

The analysis of the survey results allows us to ask question about the good management of these funds. At all levels from provinces to districts very few

respondents were transparent regarding the amount received for the school year in question. It can also be said that these same respondents ignored the circuit for transferring these funds.

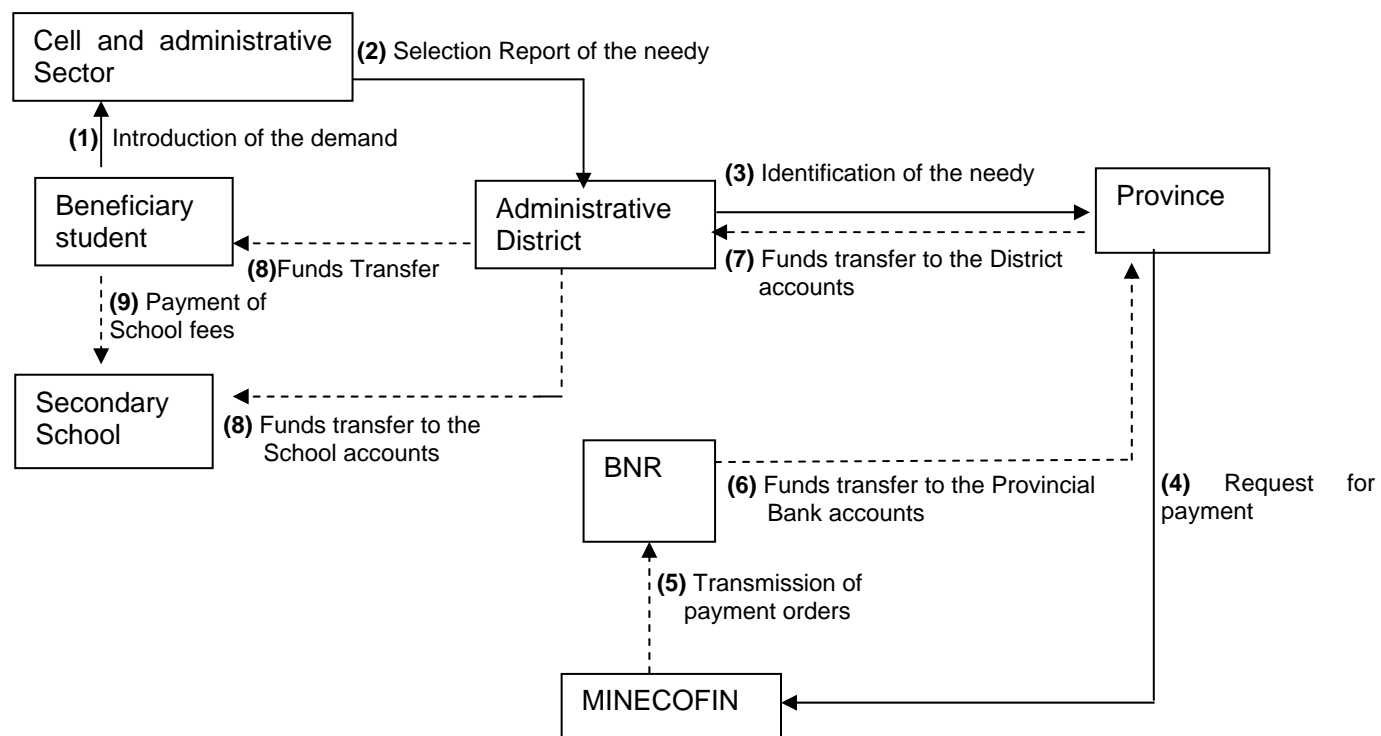
The following diagram shows the flow and management of education support funds destined for children who are termed as vulnerable:

**Figure 5 Management of ESFV before decentralisation**

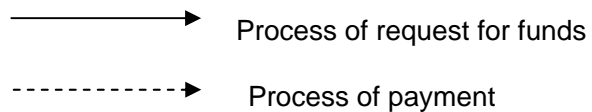


source : PETS 2004 Findings

**Figure 6 Flow and Management of Education Support funds after decentralisation**



**Key**





**Table 32. Transfer of school fees to Secondary schools for ESFV beneficiaries (School year 2000 - 2001)**

Province	No. of Children	Budget Forecast	Payment 1st Tranche	Payment, 2nd Tranche	Payment, 3rd Tranche	Restaurant Fees	Total less Restaurant fees	Total fees including restaurant fees
MVK	2110	56 350 000	9 270 000	29 567 630	15 859 330	23 912 901	54 696 960	72 609 861
Kigali- Ngali	907-3204	75 660 000	9 270 000	12 709 877	16 725 422	44 333 513	38 705 299	83 038 812
Gitarama	3483-3519	78 430 000	9 270 000	48 807 609	19 960 990	8 495 658	70 392 509	78 888 167
Butare	1852	38 780 000	9 270 000	25 952 252	4 628 802	3 194 102	39 851 054	43 045 156
Gikongoro	2406	49 230 000	9 270 000	33 715 506	11 785 512		54 771 018	54 771 018
Cyangugu	2088	44 770 000	9 270 000	29 259 342	11 049 322		49 578 664	49 578 668
Kibuye	1936	41 230 000	9 270 000	27 129 351	9 289 257		45 688 608	45 688 608
Gisenyi	5387	124 888 000	9 270 000	75 488 541	52 527 720		137 286 261	137 286 261
Ruhengeri	4018	98 290 000	9 270 000	56 304 615	41 968 839		107 543 454	107 543 454
Byumba	3212	68 330 000	9 270 000	45 010 060	21 447 176		75 727 236	75 727 236
Umutara	1728	38 540 000	9 270 000	24 214 628	3 979 584	9 465 778	37 464 212	46 929 990
Kibungo	4016	88 010 000	9 270 000	56 276 589	13 974 169	17 738 090	79 520 750	97 258 848
Total	35476	802 508 000	111 240 000	464 436 000	223 196 123	107 140 042	791 226 025	892 366 079

Source : MINALOC, October 2004

## Impact of the Education support funds

Irregularities and/or insufficiencies noted in the payment of the education support funds have more repercussions for the students than for the secondary schools. The following table shows that 63% of the beneficiary students of this fund have a big difficulty in finding a school while being a beneficiary of this fund. 50% of these student's state that the irregularity of payment from these funds causes them to fail in school examinations and 43% of the students claim to have suffered threats in the hands of administration following the irregularity in payment of funds.

**Table 33. Effects of irregularity in the education support funds**

Evaluation	Difficulty in finding a school	Percentage	Failure in School	Percentage	Threats by administration	Percentage
0	4	14.8	2	5.9	5	16.7
1	0	0	1	2.9	3	10
2	2	7.4	6	17.6	4	13.3
3	4	14.8	8	23.5	5	16.7
4	7	25.9	5	14.7	6	20
5	10	37.0	12	35.3	7	23.4
Total	27	100	34	100	30	100

(Key : 5. Very Strong; 4. Strong; 3. Fairly Strong; 2. Weak; 1. Very Weak; 0. Nil)

Besides the delays and irregularity in transferring these funds there is a risk that it will result in the deterioration of relations between the beneficiaries of the education support fund and those who regularly pay their fees in full.

These same irregularities are at the source of other failures notably the confiscation of students report forms. As noted before this fun is insufficient and beneficiary students end up terminating their studies.

Compared to the school fees required by the establishment of each student this fund remains insufficient. A sum of 7000 Frw is allocated per student while the scholarly establishments need 12000 Frw per term.

**Table 34. Sources of funds that complement the Education Support Funds**

Validated	Number	%
Family Members	28	58.3
Benefactors	15	31.2
Others	3	6.2
N/A	2	4.1
Total	48	100

Of the 48 student beneficiaries of the education support funds, 58% are supported by members of their family in paying the fee balance, 31% say that the remainder is paid by benefactors and only 6% seek assistance from other people and institutions of good will (NGO's).

It was also equally noted that the beneficiary student himself is sometimes obliged to find additional funds through means such as working on the farms or helping masons.

Due to these imperfections of the education support funds the service is viewed negatively by the directors of schools which accumulate debts from suppliers of goods and services.

### **3.5. Conclusion and recommendations**

#### **1) On Teachers Salaries**

According to the Provincial Salary processing office, the percentage due to review is minor, the teachers do not realise the increase in their salary linked to this review. This is made worse by the fact that they do not receive their payslips so as to know the details of their pay (Review, taxes and deductions)

Following the incoherence's noticed between the pay lists produced by MIFOTRA and the lists of Teachers presented by the Directors of School Centres, imperfections relating to teachers salary payments were noted. Colossal sums of money in teacher's unpaid salaries are held in Banque Populaire when they should have been returned to the treasury. A follows up study on the conduct of the "Sundry Creditors Rwandese Government" in which this Bank holds more than three and a half billion Francs is called for.

Against this background we recommend that:  
MIFOTRA in collaboration with inspectors of school centres and those in charge of processing salaries at the provincial level should update the pay lists of teachers to avoid incoherencies.

The amount of 3,749,939,919 Frw held at UBPR for well over four years should be used to pay the salary arrears of teachers.

Administrative slowness at the different levels of salary processing as seen in the District, the provinces, Ministries concerned (MIFOTRA and MINEDUC) indeed in the banks too, is the principal cause of salary arrears of teachers. In this regard the salary processing system should be: Further decentralised to avoid payment delays perhaps occasioned by the numerous persons involved in salary processing

Computerised especially In the provinces since the manual administration of salary documents could also be a cause of these delays

## **2) On the grants to Primary Schools (Capitation grant)**

The insufficiency of the capitation grant funds makes it necessary for the State to eventually increase its contribution to cater for the good functioning of school centres.

Parents of school going children should play a bigger role in the education of their children. It has been noted that following the “Education for All” policy certain parents disengage themselves from the education of their children such that there are many students who go to school without uniform.

Besides this, the operation of the capitation grant has created a massive influx into primary schools and by the same token the overpopulation of classrooms<sup>3</sup> has become a major problem to contend with. It would be judicious to think of ways of increasing the capacity of schools and building new ones.

## **3) On FARG**

Although the beneficiary students of FARG appreciate the service that is given to them, they would like to be paid for transport home when the school holidays begin or when they return to school from holidays as well as an allowance for hygienic indispensable material for females.

School heads wonder why FARG does not intervene in the assistance of primary school students.

## **4) On ESFV**

As pointed out earlier this fund only covers 50% of the fees required of the beneficiary students by secondary schools.

A further increase in this funds would not only cover the fee in full but would also reduce the number of failures among beneficiary students since it was noted that this is one of the causes of failure. Such an increase would also help schools improve their operations.

Following the example of FARG, the education support fund should intervene to cover other needs such as medicine, school equipment, school uniform and boarding materials.

According to the beneficiary students these usually require them to go back to their donors regularly for assistance.

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<sup>3</sup> Of the 107 school centers surveyed, the average number of students per teacher is 61

The funds should be paid to the school accounts as the payment in cash to the beneficiary students at times causes funds to be deviated to other student needs.

It is proposed that the criteria for distribution should be the number of needy children per district instead of the size of the population in the district.

The lists of beneficiary students from the districts should present a minimum of information about the beneficiary such as the complete identity of these beneficiaries.