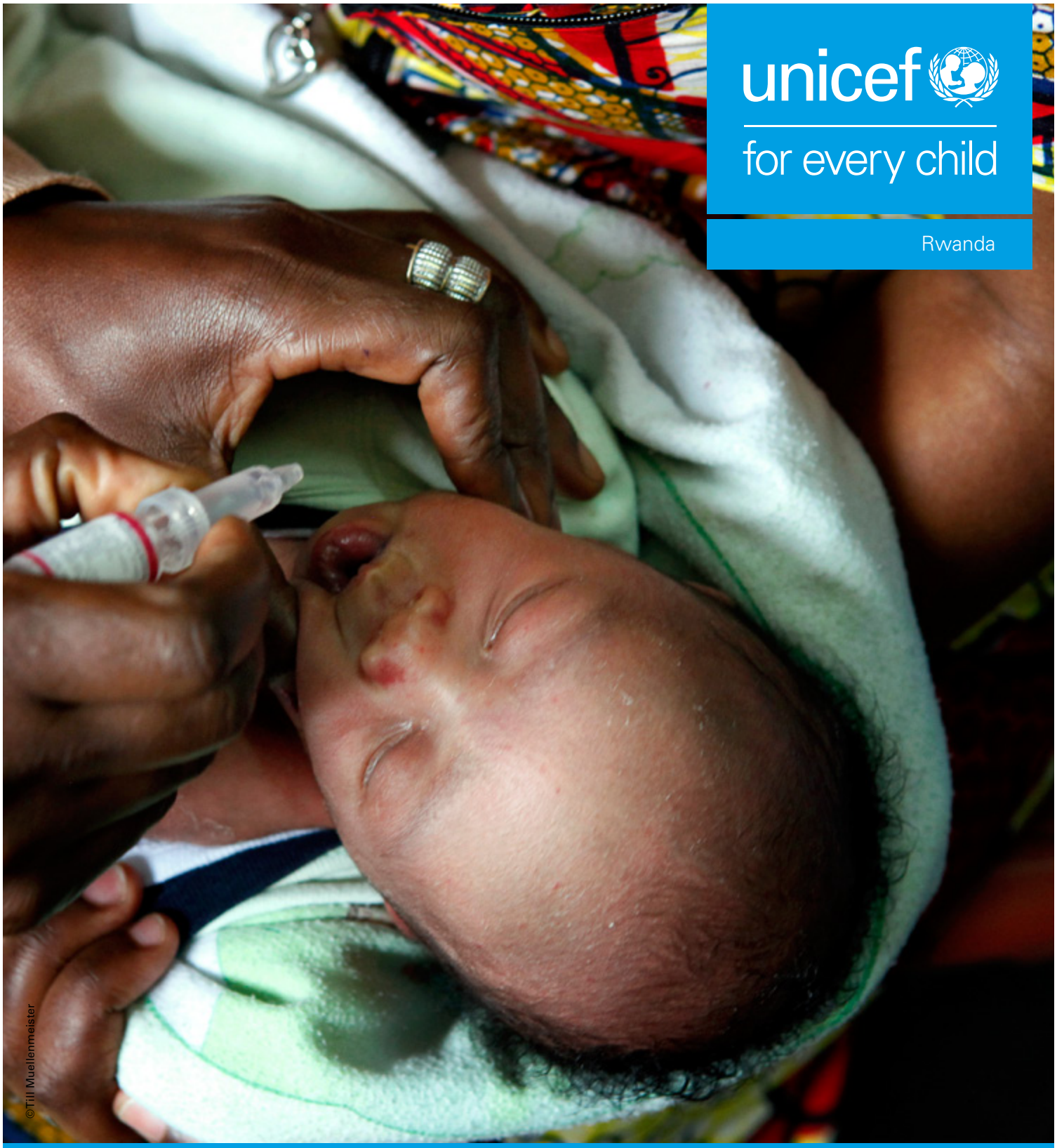

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Rwanda

Health Budget Brief

Investing in children's health in Rwanda 2017/2018

Health Budget Brief: Investing in children's health in Rwanda 2017/2018

October 2017

Preface

This health budget brief is one of four briefs that explore the extent to which the Government of Rwanda addresses the health needs of children under 18 years of age and mothers in Rwanda. The brief analyses the size and composition of the budget allocation for the 2017/18 fiscal year, and the adequacy of past spending under the health sector of Rwanda. The budget briefs aim to synthesize complex budget information so that it is easily understood by stakeholders inside and outside the government, and to inform decision makers through key messages for policy and financing changes.

Key messages

- **Despite a nominal health budget increase, the ratio of the health budget to the national budget has declined in recent years**: Over the past five years, the nominal health budget increased by 22.9 per cent, from 157.5 billion RWF in 2013/14 to 193.6 billion RWF in 2017/18. However, the ratio of the health sector budget as a proportion of the national budget shows a declining trend, from 10.8 per cent in 2014/15 to 9.2 per cent in 2017/18. Thus, the health budget is below the Health Sector Strategic Plan (HSSP) 3 targets of a ratio of 15 per cent of the health budget to the national budget as well as the Abuja Declaration.
- **A high rate of budget execution, indicating stronger planning and budget execution capacities of districts within the ongoing decentralization process:** The health budget execution rate was nearly 86 per cent in 2015/16 at the national level and 99.6 per cent at district level.
- **Declining external financing (donor funding):** The health sector realized a major shift from donor-dominant financing to domestic financing (national budget). The share of external finance under the health sector was 57.2 per cent in 2013/14, while in 2017/18 it is estimated at 15.3 per cent.

1. Introduction

1.1 Understanding the Rwandan health sector

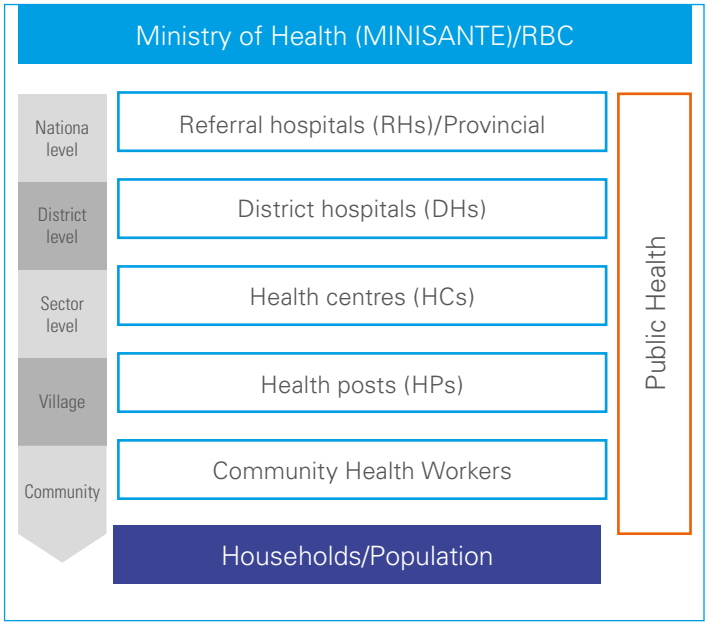
The Rwandan health sector is coordinated by the Ministry of Health (MINISANTE), whose mission is to provide and continually improve affordable promotive, preventive, curative and rehabilitative health-care services to the Rwandan population.[1] MINISANTE is supported by the Rwanda Biomedical Centre (RBC) – an implementing agency responsible for coordinating and improving research activities in the fields of disease prevention, education and provision of treatment to people at all levels.[2]

Health services in Rwanda are provided at various levels of the health-care system by public, faith-based, private for-profit and non-government organizations:[3]

- *Community health:* Basic treatments are provided at health posts (HPs) and health centres (HCs), and Community Health Workers provide basic assistance at the household level;[4]
- *District:* Upon referral from HCs, district hospitals (DHs) undertake advanced diagnosis and treatment; and
- *Province or national:* Upon referral from DHs, referral hospitals (RHs) address specialized medical diagnosis and treatment.

Figure 1 shows an illustrative summary of health services structures in Rwanda.

Figure 1: Rwanda health services structures



Source: State finance data analysed

1.1.1 Guiding strategic documents and key targets

Table 1: Strategic documents and targets

Strategic documents	Key performance indicators and targets
Rwanda Vision 2020: A long-term, 20-year development vision	A reduction of: • The maternal mortality rate from 1,070 to 200 per 100,000 • The infant mortality rate from 107 to 50 per 1,000 • Fertility rate from 6.5 children in 2000 to 4.5 children in 2020

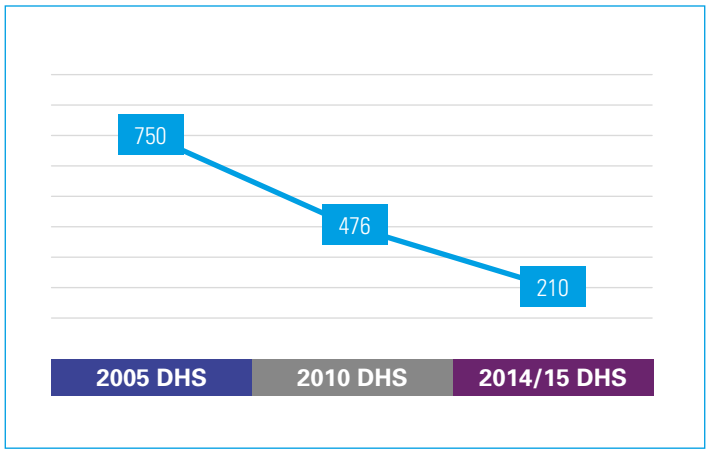
Economic Development and Poverty Reduction Strategy Second Generation (EDPRS 2): 2013–2018	• Increase births in health facilities from 63 per cent (2011) to 82 per cent in 2018
	• Reduce:
	  • Maternal mortality ratio (per 100,000 live births) from 476 (2011) to 220 in 2018
	  • Under-five mortality rate per/1,000 live births) from 76 (2011) to 42 in 2018

Health Sector Strategic Plan (HSSP)	• Increase percentage of births attended in a health facility from 69 per cent to 90 per cent • Increase health centres with maternal health services from 16 per cent to 100 per cent • Increase government budget for health as a share of the total budget from 11 per cent (2012) to 15 per cent by 2018

1.2 Health sector performance on selected indictors

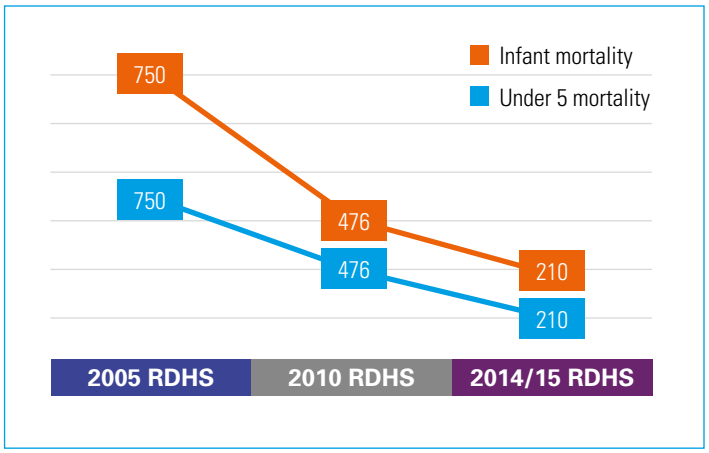
Rwanda's health sector realized impressive gains in achieving the Millennium Development Goals (MDGs), including Goal 4 on reducing child mortality and Goal 5 on improving maternal mortality (**Figure 2** and **Figure 3**).

Figure 2: Maternal mortality ratio per 100,000 (2005–2015)



Source: State finance laws

Figure 3: Maternal mortality ratio per 1000 trend (2005–2015)



Source: State finance laws

Between 2005 and 2014, the maternal mortality rate decreased by more than three times (from 750 per 100,000 live births in 2005 to 210 per 100,000 in 2014/15) and infant mortality fell from 152 per 1,000 live births to 50 per 1,000 in 2014/15. **Table 2** presents additional indicators that Rwanda has performed strongly in recent years.

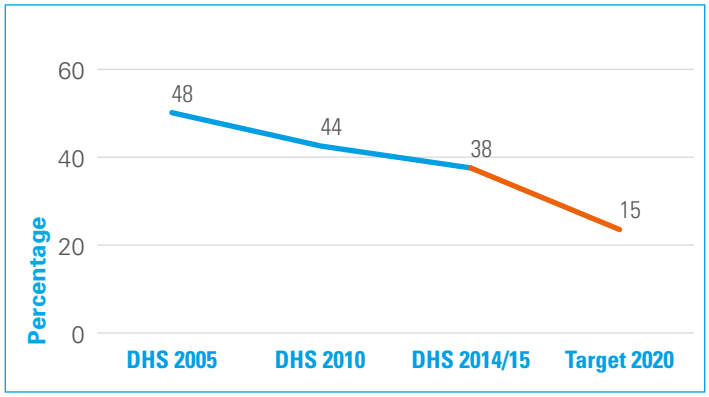
Table 2: Key health indicators

Key indicators	2000	2005	2010	2015
Neonatal mortality rate per 1,000 live births	44	37	27	20
Infant mortality rate per 1,000	107	86	50	32
Under-five mortality per 1,000	196	152	76	50
Maternal mortality rate per 100,000	1,071	750	476	210
Stunting (%)	51.1	48.3	44.2	37.9
Institutional deliveries (%)	27	28	69	91

However, the nutrition status among children under 5 years of age continues to be a public health concern, with stunting rates of 38 per cent at the national level, 41 per cent in rural areas and 24 per cent in urban areas.[5]

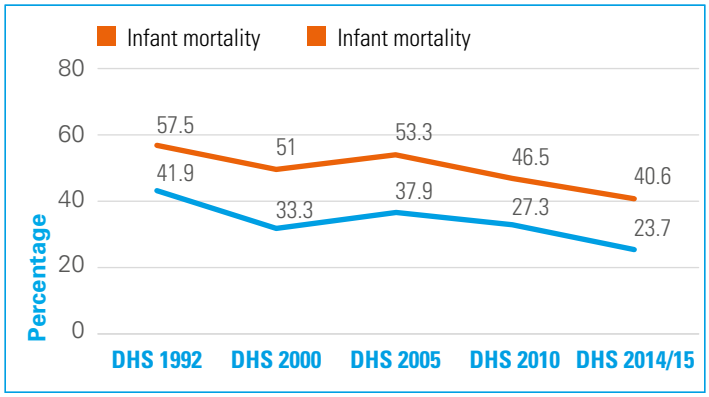
Figure 4 and **Figure 5** indicate the trends of stunting in Rwanda between 2005 and 2015 and the target by 2020.[6]

Figure 4: Stunting rates in children under 5 years of age



Source: State finance data analysed

Figure 5: Children stunting trend by residence



Source: State finance data analysed

Recommendations for addressing malnutrition:

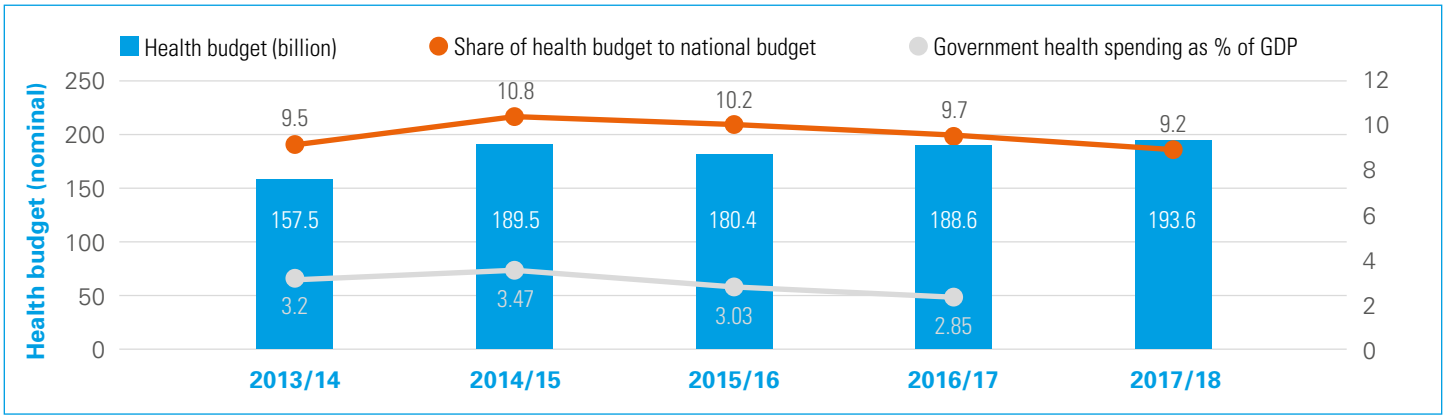
- *Strengthen multi-sectoral coordination to accelerate progress in reducing all forms of malnutrition;*
- *Scale up nutrition-specific interventions, including maternal, infant and young child nutrition, micronutrient supplementation, etc.;*
- *Implement nutrition-sensitive interventions in food-insecure areas; and*
- *Bolster behaviour-change interventions to improve adolescent, maternal and child nutrition.*

2. Trend of government spending in the health sector

2.1 Size of government spending

Rwanda's health sector budget has increased from 157.5 billion RWF in 2013/14 to 193.6 billion RWF in 2017/18, reflecting an increase of 22.9 per cent. Despite the nominal increase, the share of the health budget to the total government budget declined from 10.8 per cent in 2014/15 to 9.2 per cent in 2017/18, and the share of the health budget to gross domestic product (GDP) decreased from 3.47 per cent in 2014/16 to 2.85 per cent in 2016/17 (**Figure 6**).

Figure 6: Per-cent share of health budget to total budget and GDP

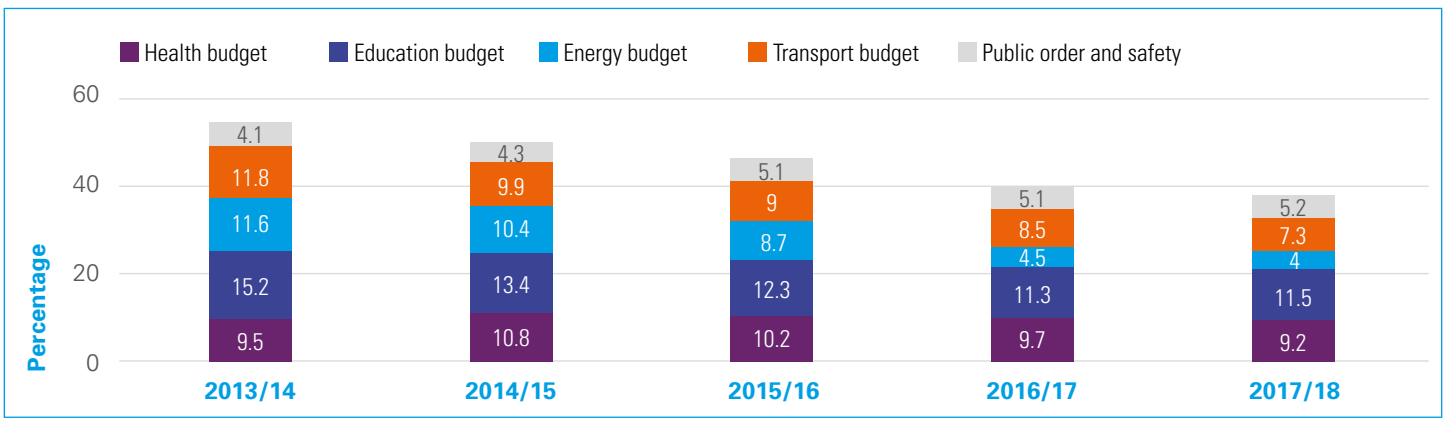


Source: Budget law data analysed by author

2.2 Government spending in the health sector by selected priority sector

The budget allocation to national priority sectors realized a decreasing trend. For example, the share of the transport budget decreased from 11.8 per cent in 2013/14 to 7.3 per cent, the share of the education budget fell from 15.2 per cent in 2013/15 to 11.5 per cent in 2017/18, and the share of the energy budget decreased from 11.6 per cent to 4 per cent in 2017/18 (**Figure 7**). The analysis indicates that the decreasing trend can be attributed to an increase of the recurrent budget allocated to the newly established public institutions and reforms across government ministries and agencies.

Figure 7: Per-cent share of budget allocation to priority sectors



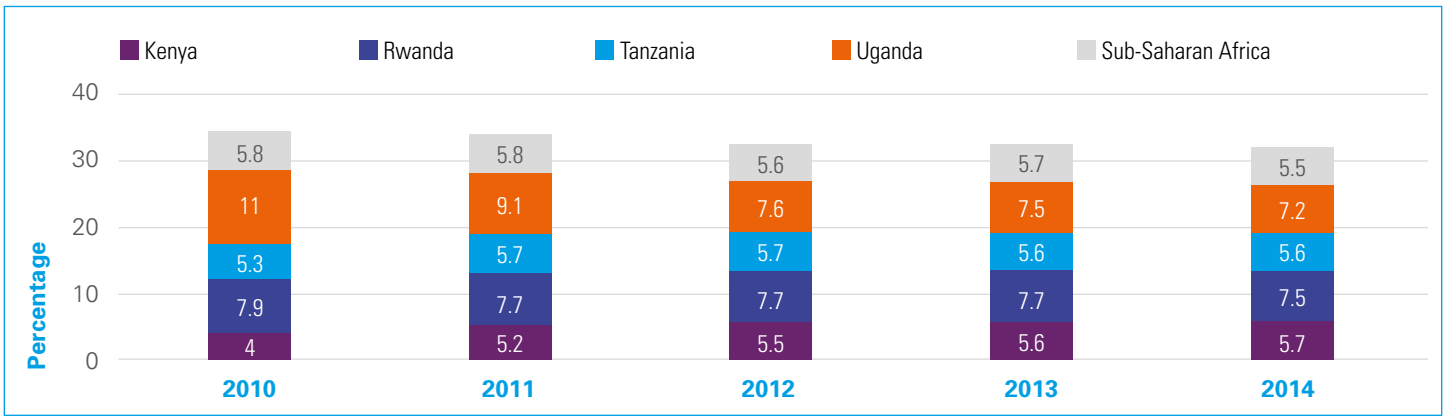
Source: Budget law data analysed by author

While the Health Sector Strategic Plan (HSSP) targeted an increase in the ratio of the health budget to the national budget from 11 per cent in 2012 to 15 per cent by 2018, it declined instead. The continued declining trend of budget allocated to health is likely to have undesirable effect on the realized health outcome. Thus, the Government of Rwanda will have to substantially increase the budget allocated to the health sector in order to maintain the achievement realized.

2.3 Health sector spending against selected countries

A comparative analysis of health sector spending in Rwanda against that of Kenya, Uganda and the United Republic of Tanzania reveals that despite a slight reduction, Rwanda allocated the biggest proportion of the budget towards health until 2014, followed by Uganda at 7.2 per cent, and Kenya at 5.7 per cent (**Figure 8**).

Figure 8: Government spending in comparison with other countries

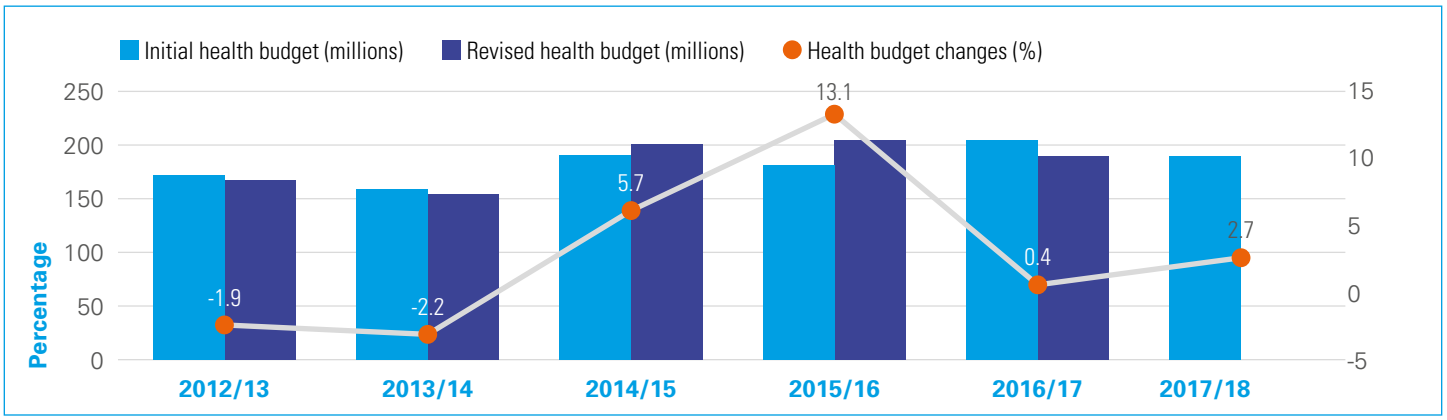


Source: World Bank health statistics database.

2.4 Changes in the health budget

The Government of Rwanda's budget revision takes place mid-year (December–January), with the purpose of addressing emerging national priority priorities. From 2014/15 to 2017/18, the health budgets were revised upward in response to health-sector needs. For example, in 2014/15, the health budget was increased by 5.7 per cent, in 2015/16 it was increased by 13.1 per cent, and in 2016/17 it was increased by 0.4 per cent (**Figure 9**).

Figure 9: Initial vs. revised health budget

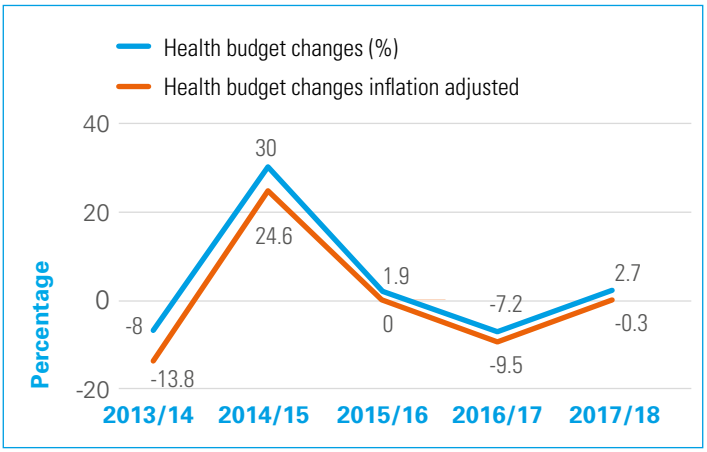


Source: Budget law data analysed by author

2.5 Changes in the health budget: Inflation-adjusted changes

The trend of the inflation-adjusted health budget changes indicates a less significant effect of inflation on the health budget. This was due to: (i) low level of inflation rate over the past four years, ranging between 1.8 per cent and 5.9 per cent; and (ii) annual nominal increase of the health budget, which curbed the inflationary effect on the health budget (**Figure 10**).

Figure 10: Nominal and inflation-adjusted health government health budget



Source: State finance data analysed

2.6 Health sector priorities: Budget trends for selected programmes

The Third Health Sector Strategic Plan (HSSP 3) defines the following priorities for the health sector:

- Sustain the achievements in the fight for maternal and child health and against infectious diseases, and invest in prevention and control of non-communicable diseases;
- Improve access to health services (financial, geographical, community health);
- Improve the quality of health provision (quality assurance, training, medical equipment, supervision);
- Reinforce institutional strengthening (especially towards district health services, DHUs); and
- Improve the quantity and quality of human resources for health (planning, quantity, quality, management).

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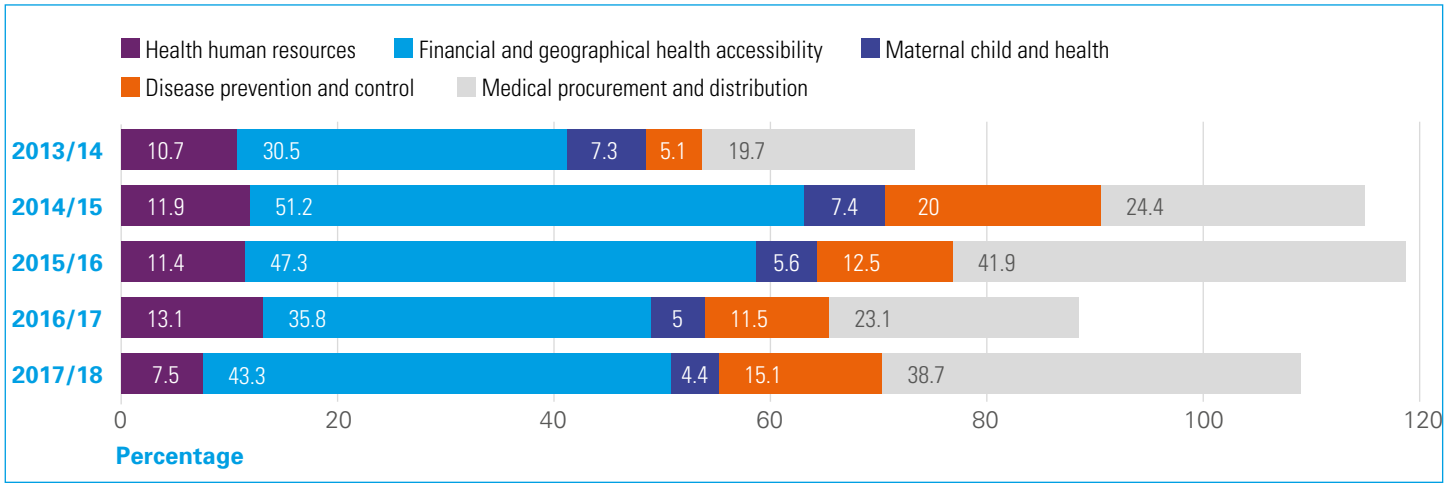
A large amount of the health budget over the past five years has been allocated to **financial** and **geographic accessibility of health services**, which include health infrastructure, subsidization to health insurance and performance-based financing (PBF). Financial and geographic accessibility of health services was allocated 43.3 billion RWF in 2017/18, indicating an increase of 20.9 per cent when compared with the 2016/17 budget. **Procurement and distribution of medical equipment** is the second-largest health programme, with 38.7 billion RWF in 2017/18, significantly increased when compared with 2016/17. Diseases prevention and control takes the third position, as it was allocated 15.1 billion FRW. This includes vaccination of preventable diseases, HIV prevention and fighting of epidemic diseases. The budget allocation for health human resources declined from 13.1 billion RWF in 2016/17 to 7.5 billion RWF in 2017/18 (**Figure 11**).

Figure 11: Budget allocation by core programmes

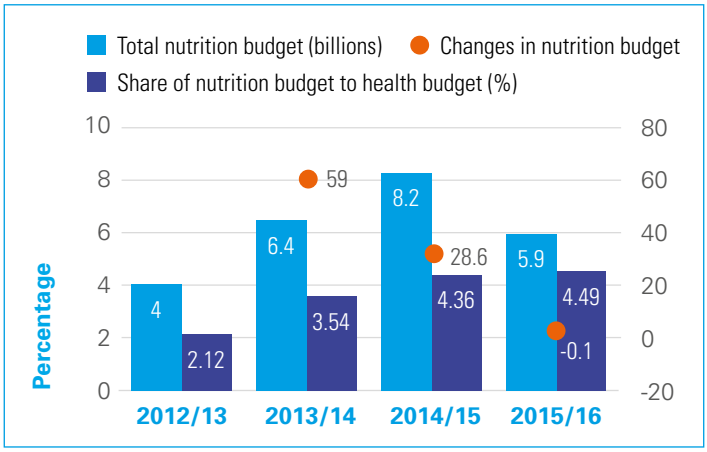


Source: Budget law data analysed by author

2.7 Budget allocated to nutrition-specific interventions

Malnutrition and stunting remain public challenges, and the Government of Rwanda, through the Ministry of Health (MINISANTE), Ministry of Agriculture (MINAGRI)/Rwanda Agriculture Board (RAB) and Ministry of Local Government (MINALOC)/Local Administrative Development Agency Government (LODA), has established specific budget lines to address nutrition challenges. From 2014/15 to 2016/17, the budget allocated to the nutrition programme increased by two times (from 4 billion RWF to 8.2 billion RWF); however, in 2017/18, the budget allocated to nutrition-related interventions was significantly reduced and reached 5.9 billion RWF (**Figure 12**).

Figure 12. Nutrition budget changes 2014/15–2017/18



Source: State finance data analysed

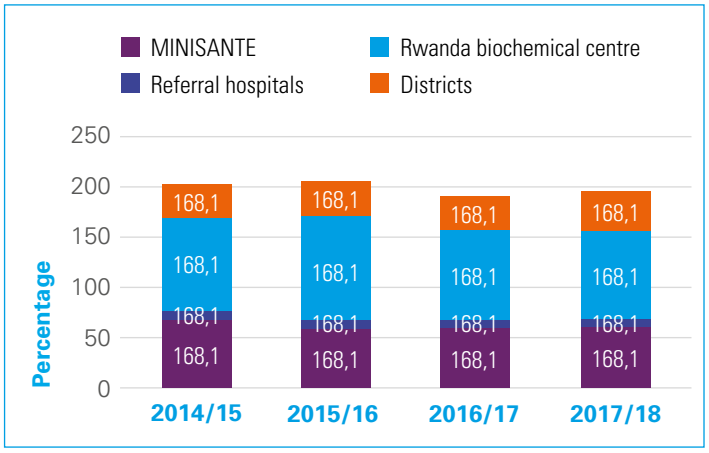
While the analysed budgets for nutrition under this brief consist of government budgets, there are, however, a number of multiple stakeholders involved in fighting malnutrition and stunting countrywide. Mapping all budgets used by non-governmental institutions is recommended to clearly understand various efforts being made to combat malnutrition and ensure equity across the country.

3. Composition of health spending

3.1 Budget allocation by the Ministry of Health, agencies and districts

Health spending consists of the budget for three agencies and districts: Ministry of Health, Rwanda Biomedical Centre (RBC), referral hospitals and districts. RBC has been allocated a larger proportion of the health budget; however, there is a declining trend – e.g., RBC was allocated 102.2 billion RWF in 2015/16 and 85.7 billion RWF in 2017/18, reflecting a reduction of 16.1 per cent. MINISANTE was allocated a considerable proportion of the budget – 59.2 billion RWF in 2017/18, -a slight increase when compared with 2016/17. The budget allocated to districts shows an increasing trend; districts were allocated 40 billion RWF during 2017/18, indicating an increase of 16.6 per cent. Also, a limited budget is allocated to referral hospitals – 8.8 billion RWF (**Figure 13**)

Figure 13: Budget allocation by key agencies



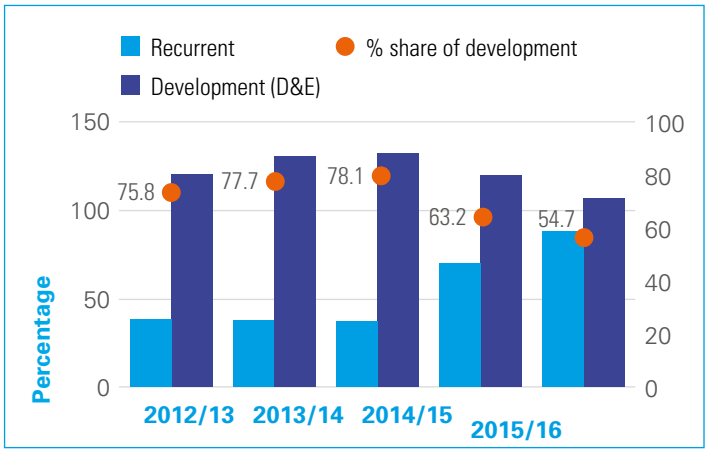
Source: State finance data analysed

3.2 Health budget per economic activities

The share of the development budget declined from 75.8 per cent of the total health budget in 2013/14 to 54.7 per cent in 2017/18. The decrease in the development budget is partly explained by a significant reduction of external financing to the health sector and a recent increase of recurrent costs associated with the increase of performance-based financing and other incentives offered to Community Health Workers (**Figure 14**).

To increase the decentralization of health services as well as to enhance equity, the Government of Rwanda will have to increase the budget allocated to districts and referral hospitals. These agencies deal directly with the community on health-related issues.

Figure 14: Recurrent vs. development health budget

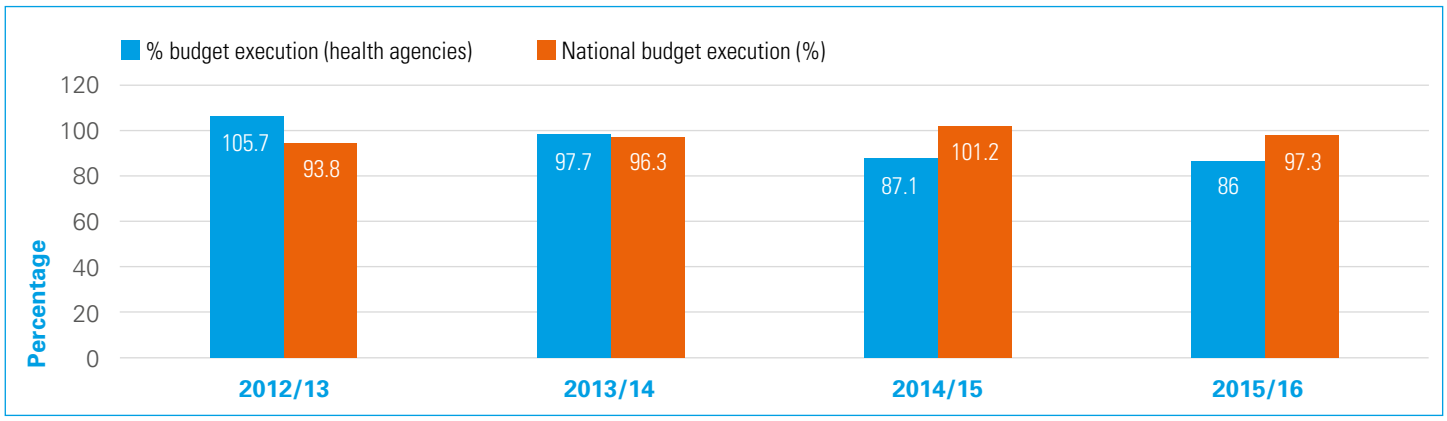


Source: State finance data analysed

4. Budget execution

Despite a lack of execution data at the local level, the available data indicate a decreasing trend in the budget execution rate, from 105 per cent in 2012/13 to 86 per cent. In 2015/16. However, at the local level, the budget execution was at 99.6 per cent in 2015/16 (**Figure 15**).

Figure 15: Budget execution rate

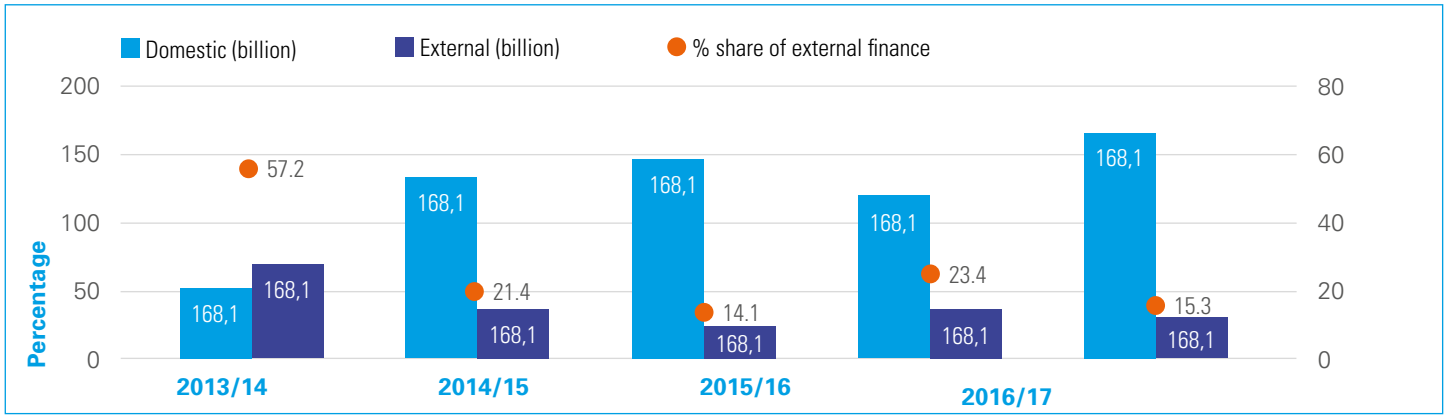


Source: Budget law data analysed by author

5. Financing the health sector

Health-sector financing experienced a major shift from externally dominant financing to primarily domestic ownership. In the 2013/14 fiscal year, the external financing was more than a half of the national health budget (59.6 per cent); however, over subsequent years domestic financing gained the majority, and is estimated at 15.3 per cent in 2017/18 budget (**Figure 16**).

Figure 16: Share of external financing to national budget



Source: Budget law data analysed by author

To enable efficient monitoring of the health budget execution, the Government of Rwanda will have to avail budget execution reports by spending agencies, programmatic and functional areas.

- *Rwanda has maintained consistent investment in the health sector through domestic revenues amid external aid declines. There is an increasing risk, however, that the country may resort to borrowing funding to maintain the level of services in health and other social sectors.*
- *The Government of Rwanda must therefore devise strategic interventions aiming at broadening the tax base, and UNICEF will continue to advocate for increased financing in social services, including the health sector.*

6. Policy issues

1. Increased cost of health services

In December 2016, the Government of Rwanda increased the cost of health services. The Ministry of Health explained that those owning RAMA/RSSB health insurance (mostly government employees and their dependents) would experience an increase of 25 per cent on previous tariffs, while those covered by MMI (mostly people in national services) and other private health insurance holders would see an increase of 15 per cent or more. While increasing health coverage costs will improve the quality of service provided by health facilities, it will also increase out-of-pocket expenses..

2. Referral approach for public servants who use Rwanda 'La Rwandaise d'Assurance Maladie (RAMA)'

In March 2017, the Rwanda Social Security Board (RSSB) announced a new referral system for those owning the RAMA health insurance. The new policy will result in financial gains to RSSB due to the low cost in public health facilities.

3. Malnutrition

The high rate of malnutrition, particularly among children 5 years old and younger: 38 per cent at the national level, 40.6 per cent in rural areas and 23.8 per cent in urban areas. The disparity among the populations in rural and urban areas signals inequity that needs special attention and an increased budget targeting rural areas and the most vulnerable districts.

4. Declining external financing (ODA)

In the past, the health sector was mainly financed by external donors. For example, in 2013/14, external financing accounted for 57 per cent of the total health budget, but the share of external financing has decreased significantly in recent years. To maintain health service coverage, the Government of Rwanda must devise strategic interventions aimed at broadening the tax base.

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Endnotes

1 Ministry of Health, 'Third Health Sector Strategic Plan, July 2012–June 2018', Kigali, Rwanda, available at: <www.moh.gov.rw/fileadmin/templates/Docs/HSSP_III_FINAL_VERSION.pdf>.

2 <www.moh.gov.rw/fileadmin/templates/HLaws/RBC_law.pdf>.

3 Ministry of Health, 'National Community Health Service Strategic Plan, July 2013–June 2018', Kigali, Rwanda, May 2013, available at: <www.moh.gov.rw/fileadmin/templates/CHD_Docs/CHD-Strategic_plan.pdf>.

4 To follow antenatal care, women after delivery and children younger than 9 months old, malnutrition screening, provision of contraceptives, preventive and behaviour change activities.

5 National Institute of Statistics of Rwanda, et al., 'Rwanda Demographic and Health Survey (DHS), 2014–2015', Kigali, Rwanda, March 2016.

6 Ministry of Finance and Economic Planning (MINECOFIN), 'Rwanda Vision 2020', revised 2012, Kigali, Rwanda, available at: <www.minecofin.gov.rw/fileadmin/templates/documents/NDPR/Vision_2020_.pdf>.

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