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THIS ACTION IS FUNDED BY THE EUROPEAN UNION

ANNEX 1

to the Commission Implementing Decision on the financing of the annual action plan in favour of the Republic of Rwanda for 2022

Action Document for “Increase access to and quality of early childhood development and education in Rwanda”

ANNUAL PLAN

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, and action plan within the meaning of Article 23(2) of the NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Increase access to and quality of early childhood development and education in Rwanda OPSYS: ACT-61240 Financed under the Neighbourhood, Development and International Cooperation Instrument (<u>NDICI-Global Europe</u>)
2. Team Europe Initiative	No
3. Zone benefiting from the action	The action shall be carried out in Rwanda
4. Programming document	Multiannual Indicative Programme 2021-2027 Rwanda
5. Link with relevant MIP(s) objectives / expected results	Objective b) Support access to and quality of pre-primary and secondary education Expected result: Increased access to pre-primary education
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	Priority Area 1 “Education, Skills and Decent Jobs for the Youth in the digital age” Sectors: Support access to and quality of pre-primary– DAC Code 11240 - Early childhood education
7. Sustainable Development Goals (SDGs)	Main SDG (1 only): SDG 4 (Quality Education) Other significant SDGs (up to 9) and where appropriate, targets: SDG 5 (Gender Equality), SDG 10 (Reduced Inequality), SDG 2 (Zero Hunger) and SDG 3 (Good Health and Well Being).
8 a) DAC code(s)	DAC Code 1 - 11240
8 b) Main Delivery Channel	Rwanda - 266

9. Targets	<input type="checkbox"/> Migration <input type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input checked="" type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	/
	Connectivity @	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	digital connectivity energy transport	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	/

	health education and research	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	Migration @ (methodology for tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities @ (methodology for marker and tagging under development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	Budget line(s) (article, item): BGUE-B2022-14.020121-C1-INTPA Total estimated cost: EUR 50 000 000 Total amount of EU budget contribution: EUR 50 000 000			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	Direct management through: - Budget Support: Sector Reform Performance Contract - Grants - Twinning grants A contribution to the Regional Blending Platform to be implemented in indirect management by the entities indicated in the annex to this Action Document, in accordance with the Regional Blending Platform's award procedure.			

1.2 Summary of the Action

<p>The action aims to deliver a comprehensive support to the pre-primary sector in Rwanda (countrywide), a key priority area for education in the country.</p> <p>In the last 30 years, the country has established a pre-primary education¹ sector as part of its public education system, with clear key targets enshrined in its main policy documents, to increase access and quality in this area. Several key challenges have been identified as key to address in order to uplift this sub-sector. For the expansion of access and in order to reach the government targets, there is a need to expand infrastructure, quality training for teachers, support the current national school feeding programme to reduce costs for families, and support the development and access to learning materials. As a young sub-sector, with the Early Childhood Development Policy having only been adopted in 2016, policy development, costing, curriculum, standards and assessments, still have to be further developed or implemented in order to further enhance quality. Lastly, the policy and implementation of this sub-sector also spread across several ministries and agencies, with need for further coordination.</p> <p>Based on the aforementioned challenges, this action will unfold into three components: a) access to pre-primary education, b) enhancing the quality of pre-primary education and c) good governance, including through promotion of integrated approaches across key sectors.</p> <p>In its first component, it will support classroom construction and school feeding. In its quality education component, it will support teacher-training, materials, assessments, training on inclusive education and methods, community interventions and links to key areas such as nutrition, health and parenting practices. In its good</p>
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¹ Pre-primary education refers to ages 3-6

governance component, it will support better coordination amongst ministries, agencies, and better planning and strategy. Both gender equality and inclusiveness will be mainstreamed all throughout this action.

This action is aligned with the European Consensus for Development, which recognises the importance of pre-primary education and quality education for long-lasting development, as well as the importance of children's needs, rights and aspirations, including in the context of comprehensive early childhood interventions. The intervention will also assist Rwanda to transform its education system and address deficits in teaching, training, and learning at all levels, thus contributing to implement the Global Gateway communication. It will further contribute to the implementation of the Gender Action Plan (GAP) country level implementation plan. The action will primarily contribute to SDG 4 (Quality Education), but also to 5 (Gender Equality), 10 (Reduced Inequality), 2 (Zero Hunger), 6 (Clean water and sanitation) and 3 (Good Health and Well Being). It will also contribute to OECD DAC codes 4.2.; 4.5; 4 a. and 4 c. under 'Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all'. This action is fully aligned to the government's priorities in this sub-sector and supports an overall increase of EU financing for education from 7% to 10%.

This action should be delivered in a Team Europe approach through a twinning operation with the Rwandan Ministry of Education for the governance part, as well as a blending operation with an EU development finance institution, further positioning the EU at the centre of this, mostly still unaddressed at scale, sub-sector.

2 RATIONALE

2.1 Context

Rwanda has achieved remarkable progress towards sustainable development over the last 25 years. Economic and developmental success is one of the key factors underpinning the political legitimacy of the Government. However, Rwanda's developmental gains are uneven, including wide socio-economic disparities and inequalities due to the country's history. An underperforming educational system, with poor quality and uneven access, further exacerbated by the effects of the COVID-19 pandemic, poses challenges to the future of upcoming generations.

In response to these challenges, the Government of Rwanda has made critical investments in the area of education, for example, in the most recent budget (Fiscal Year 2021/2022); the education sector received a boost in public spending. Rwanda has also set ambitious targets to increase the number of students attending Technical and Vocational Education and Training (TVET) schools. However, access and quality remain overall key challenges at every level of the educational system. Furthermore, the COVID-19 pandemic has resulted in a reversal of some gains to the education sector. A tighter fiscal policy could risk lower expenditures being planned on long-term education reforms and creating jobs to boost the economy.

When it comes to pre-primary education, and according to the Education sector strategic plan (2018-2024), Rwanda aims to reach a 45% pre-primary enrolment rate target in 2024 (currently at 17.5%) and is working towards having one pre-primary classroom attached to 63.4% of primary schools by 2023/24, with the long-term goal of establishing a 3 year pre-primary system. The Early Childhood Development Policy and accompanying Strategic Plan was approved in 2016.

Data from the National Institute of Statistics of Rwanda (NISR) shows a projected number of children of pre-primary age just over 1 million in 2022. In comparison, the number of children enrolled in pre-primary stands at about 293,000 in the first semester of 2022, with over 710,000 children not enrolled in pre-primary. The existing early childhood education (ECE)/ early childhood development (ECD) school-based offer is currently complemented by community-based centres, which are formal centres set up by parents, NGO's, districts.

Whilst the country's Early Childhood Development Policy recognises that investments made at the pre-primary level are among the most cost-effective in the sector, only 0.6 % of the overall education budget (approximately RWF 3 200 000 000 / EUR 3 000 000) was allocated to pre-primary in Fiscal Year 2020/21. Costs are mostly still absorbed by families. These include the payment of teachers, if these are not on government payroll, and school feeding contribution, among others.

2.2 Problem Analysis

Short problem analysis:

The key bottlenecks identified, and which need to be tackled in order to uplift the pre-primary sub-sector are: a) access to pre-primary education, specifically school-based education; b) the need to increase the quality of pre-primary education; and c) the need to tackle good governance and coordination in this very new subsector.

Access to pre-primary education

In terms of access, the main problems identified are the lack and equitable distribution of teachers and classrooms, as well as the need to lower costs, including costs of the national school feeding programme, for families. According to the Rwandan government, net enrolment grew from 20.8 % (2017) to 24.6 % (2019). Currently, the number of classrooms in pre-primary is 7 414 with the average of 40 pupils per classrooms. The targeted standard class size is 30 pupils per class, whereby the total number of classrooms required is 33 679. The gap is hence 26,264 classrooms. Rural areas have greater needs, with ten districts identified (Ministry of Education - MINEDUC/UNICEF) as the most lagging behind pre-school provision. However, provision remains low all across the country. Access is also linked to wealth, with indications – as shown in the 2017 Education Sector Analysis (MINEDUC, 2017) – that children in the richest quintile are more likely to access pre-primary education than children from the three poorest quintiles.

The number of qualified teachers able to teach at pre-primary level is also a bottleneck. Scaling up of pre-school teacher training and including them in the government payroll is a key priority of the latest education sector plan. Payroll for pre-primary teachers has just started recently, with the first intake of 500 school teachers starting during fiscal year 2020/2021 and an additional 3000 planned to be put on payroll in 2021/2022. The creation of payroll posts and phasing in of salaries will have to accompany this trend. In order to be put on payroll, however, teachers have to undergo formal pre-service or in-service training.

According to the Comprehensive Food Security & Vulnerability Analysis (CFSVA), which was co-funded by the EU, national stunting rates currently stand at 32.4 %. The Government of Rwanda scaled up the School Feeding Program from pre-primary up to secondary schools in October 2021 for all government and government-aided schools (privately owned, but with public subsidies provided for teacher's payroll), currently reaching more than 3.3 million pupils. This was reflected in a budget increase of USD 8 000 000 to USD 25 000 000 (now 6 % of the total education budget). Whilst school feeding is set to benefit from further government funds, according to the latest budget revision (fiscal year 2021/2022), the government programme is based on a compulsory contribution from parents (around 40 % government contribution and around 60 % parents contribution). Families can contribute in-kind and, in some cases, through labour. However, the contribution still deters parents from sending their children to pre-primary school. The Education Sector Analysis (ESA) noted that despite the law on free education, there had been instances where children were excluded because of inability to pay the 'parental contribution'. The World Food Programme (WFP) school feeding programme, which direct funding contribution to government's budget for schools' meals will be phasing out from 2023, reduced parents contributions to RWF 200 per month (EUR 0.2), per child, in several schools of Huye district. This resulted in a 92 % school attendance across all grades, compared to 86 % in 2016.

Quality education

Quality assurance is ingrained across the three key areas of intervention of this action. However, more specifically, vital areas of intervention are teacher-training, setting standards for curricula and assessments, inclusive education, parenting practices and community interventions and access to teaching materials. Pre-primary teachers are trained in Teacher Training Colleges (TTCs), under the Rwanda Education Board (REB), and training is complemented in module schools. In 2019, only 53.4 % of all pre-primary caregivers had received some form of training and there is no data on how many of these had been trained in TTCs. It is assumed that the majority received some form of training through Development Partners and NGOs. Yet, access is uneven, and whilst a mapping exercise is underway during the first semester of 2022, a strategy on how to provide equal access and quality training to all new teachers, remains to be further defined. During the COVID-19 pandemic, the government and Development

Partners invested in developing online and blended trainings, which are now starting to be considered as regular delivery means.

So far, only limited information pertaining to special needs and inclusive education is incorporated in ECD programs and TTC curriculum. The key gaps are lack of infrastructure and training of teachers in this field. Special needs schools exist, yet they are few. Moreover, Rwanda also aims to integrate children with special needs into regular classrooms. The monitoring quality of the education system also remains weak overall. This is partly due to the limited capacity of the inspectorate to inspect schools, and partly due to the weak link between central education planning and monitoring (which needs to be fed in by district level reporting). The only existing system is the School Data Management System (STMS), which mostly includes quantitative data, based on which the government provides aid to schools. The Education Sector Strategic Plan also mentions the objective to develop standards for pre-primary education (including for assessment) and use of these standards by pre-primary teachers. This will enable better linking of teaching to outcomes of pre-primary education.

Parenting practices are key, as many families are not yet aware of the benefits of sending their children to pre-primary. Furthermore, there is a need to promote positive parenting practices at home, and an understanding of the benefits of learning through play. Several existing groups and structures support family and communities in Rwanda, such as the Inshuti (“friends of the family”), Community Health workers and Umugoroba W’Ababyeyi (parents’ evenings). They focus on specific topics (e.g. health, nutrition, agriculture, and child protection) and are key to reinforce positive parenting messages in support of ECD/E. Many of these structures are underfunded (most of the workers are voluntary and lack training), even though they are a key complement to ECD/E. They are supported through the National Child Development Agency (NCDA). Lastly, both government and partners mention a lack of school materials. These are used by many children and need to be replaced on a regular basis, should include materials for children with disabilities, and should include more than just books.

Good governance

In the area of good governance, key problem areas identified are the need for better coordination amongst ministries, agencies, as well as better planning and strategy in the sector overall. As previously mentioned, the current investment into the pre-primary sector stands at only 0.6% of the total education budget, which will affect the long-term sustainability of a sub-sector which is to grow, including keeping trained teachers on payroll. As the public sector cannot yet cater for all children in need of pre-primary services, it is key for the government to strengthen partnerships with non-governmental actors, including the private sector and faith-based organizations.

Furthermore, the sector coordination is spread across different agencies and ministries, several of which are newly established, creating challenges in coordination and implementation. Education inspectors (sector level) are under the authority of the National Examination and School Inspection Authority (NESA) and District Education Officers are under the Ministry for Local Government (MINALOC). Cohesion between central and district-level planning and monitoring is also a critical factor both in the overall efficiency of the system, and in the implementation of the Education Sector Strategic Plan.

Overall, whilst the pre-primary government curriculum includes the learning through play approach, implementation of this key principle is still lagging behind. There is an overall need to reassess strategies, implementation and planning in the sector. For instance, several pre-primary classrooms are set up as primary grade classrooms, with chairs and desks. For those that have already established pre-primary classrooms that follow a learning through play approach, there is also a need to accompany the transition to primary.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

The Ministry of Gender and Family Promotion (MIGEPROF) is the Central Government institution mandated to ensure strategic coordination of the implementation of national policies, strategies and programs regarding the promotion of the family, gender and children’s rights’ protection to facilitate their integration in the socio-

economic and political context of Rwanda. The Ministry is the policy-owner of ECE/D policy, yet the latter is implemented by several Ministries and Agencies mentioned below.

The Ministry of Education (MINEDUC) is in charge of developing, reviewing and guiding the implementation of education sector policies and strategies. It enacts laws, regulations and guidelines for the promotion of education in line with national education policy, develops strategies for resource mobilization. It oversees school construction and equipment, formal education and continuing training of teaching staff and other staff of the Ministry and its agencies. MINEDUC implements and guides school-based ECE/D policies.

The National Child Development Agency (NCDA) was established in 2020 and falls under MIGEPROF. It coordinates all activities that support early childhood development program since the conception; works to enhance the capacity of parents and community capacity; monitors child positive parenting; monitors the implementation of child rights, among others.

The Rwanda Education Board (REB) was established in 2010 bringing under a single authority the functions of five previously separate departments. REB has national oversight for coordinating and implementing education activities at pre-primary, primary and secondary level. REB works to improve the quality of education through curriculum development, setting quality standards, development and management of teachers, assessment, and promote the use of information and communication technology in education.

The National Examination and School Inspection Authority (NESA) was established in 2020. It ensures quality of education in basic education and regulates the comprehensive assessments of students and national examinations. REB and NESA set the standards for education together, whilst NESA is in charge of assessment.

The Ministry of Local Government (MINALOC) ensures the coordination of good governance and high quality territorial administration programs that promote economic, social and political development throughout the nation. It oversees decentralisation functions of education and monitors performance at decentralised levels (provinces and districts, including performance contracts) and manages the Vision 2020 Umurenge² social protection programme, which impacts education outcomes as well as health's ones.

The World Food Programme (WFP) in Rwanda supports the Government of Rwanda in the development of its new school feeding strategy and implementation guidelines. The organization leads the national technical school feeding working group and provides daily school meals in the four most vulnerable and food-insecure districts across the country.

The United Nations International Children's Emergency Fund (UNICEF) works across different key areas to support education in Rwanda, such as child health and protection, ECD, WASH, and nutrition. It also supported the development of ECD/ECE facilities in the private sector.

The Japan International Cooperation Agency (JICA) focuses its support in the area of education in science and technology education, and vocational training. This organisation is also currently developing a new intervention which may stretch into other areas of the educational sector.

The United States Agency for International Development (USAID) supports the Government of Rwanda to improve early-grade reading outcomes in Kinyarwanda, in teacher training, teaching and learning materials, and assessment to ensure that all children learn to read within their first few years of schooling.

The World Bank (WB) has supported the Government of Rwanda with two development policy loans operations, with a third one to follow. These programmes address obstacles to human capital development by improving financing and enhancing families' access to health, nutrition, education, and social safety net services.

² Vision 2020 Umurenge Programme (VUP) - is an Integrated Local Development Program to Accelerate Poverty Eradication, Rural Growth, and Social Protection. This is an initiative by the Government of Rwanda (GoR) in collaboration with development partners and NGOs. It is led by the Ministry of Local Government, Good Governance, Community Development and Social Affairs (MINALOC) and supported by the Ministry of Finance and Economic Planning (MINECOFIN)

Furthermore, the WB has supported school construction across the country through its Quality Basic Education Programme.

2.3 Additional Areas of Assessment [For Budget Support Actions only]

2.3.1 Pre-condition on Fundamental Values [For a Sustainable Development Goals Contract only]

N/A

2.3.2 Public Policy

Policy Framework

Rwanda's National Strategy for Transformation (NST), which supports the implementation of Rwanda's Vision 2050, aims to raise access to early childhood education services from the current estimated 13 % to 45 % by 2024 and also acknowledges the role of early childhood development in helping to eradicate malnutrition. The national education goals and objectives are highlighted in the Rwandan Education Sector Policy (Ministry of Education - MINEDUC, 2003). This policy is currently under review. Building on the Education Sector Policy, several sub-sector and thematic policies and plans have been developed over recent years. Rwanda has a strong Education Sector Strategic Plan (ESSP) (2018/2019 – 2023/2024), developed in consultation with key stakeholders. The national education goals and objectives are set in this document, which defines the roadmap for achieving education targets in the country. In particular, the ESSP sets out clear targets to increase access and quality of the pre-primary sector. These are complemented by an Early Childhood Development Policy (2016) and accompanying Strategic Plan and a National Early Childhood Development Program (NECDP) Strategic Plan 2018-2024. The existing school feeding policy (2019), accompanied by operational guidelines, has recently been given which has been implemented, scaling up school feeding to all school levels has started since October 2021. A new School Feeding Strategy is being developed, hand-in-hand with development partners, including a financing strategy.

Monitoring of education policies achievements is done under the Education Sector Working Group (local coordination groups), and its various thematic sub-groups (school feeding, inclusive education, etc.). Development Partners are an integral part of those groups. More specifically, the national ECD policy is coordinated through a National ECD Coordination Steering Committee and a National ECD Technical Working Group. Each line Ministry is including, namely the Ministry of Gender and Family (MIGEPROF), policy owner, the Ministry for Education, the Ministry of Infrastructure, the Ministry of Local Governance (MINALOC) and the Ministry of Health.

The delivery of education in Rwanda has been decentralised, with districts responsible for much of the actual decision-making and implementation in alignment with MINALOC. However, MINALOC does not appear to be part of the ESWG, which may explain, to some extent, why challenges of coordination between the central government and district implementing authorities have frequently been observed, aside from limited alignment between central and district planning and monitoring. This has also sometimes led to a misalignment of priorities, with available resources used for items such as infrastructure or procurement, rather than for teaching or quality improvement.

Costing and financing

After a decline in the education budget both as a percentage of Gross Domestic Product (GDP) and as a percentage of public spending over the period 2012 to 2018, the government has made some progress towards increasing the share of domestic resources to education progressively to 20 % of the total budget, or annually allocate at least 4 % GDP to education. While the Ministry of Education (MINEDUC) has undertaken to at least maintain pre-Covid-19 levels of spending on education, the Ministry of Finance (MINECOFIN) has only 'endorsed' this commitment as 'relevant'.

The Education Sector Strategic Plan (ESSP) 2018-2024 is recognised as appropriately costed by the development partners of the sector, and relatively well financed. The ESSP presents three costed scenarios for developments in the education sector between 2018-2024. These are: (i) a 'Business as usual' situation in which the education sector maintains the current pace of innovations; (ii) a "pragmatic scenario" envisioning that "most of new initiatives shall

be implemented by 50 %”; and (iii) an ‘ambitious scenario’ in which all new initiatives are fully implemented. Funding gaps for the 2021/22 costed plan would range between 17.2 % and 26.2 %.

Information for FY 2020/21 shows a budget execution rate of 92.4 % for MINEDUC Central plus seven agencies. On budget execution against priorities, MINECOFIN reports for FY 2020/21 that the education sector has made progress in improving access to ‘quality education’ through expanding school infrastructure, providing training opportunities and enhancing English language proficiency of teachers, recruiting 28 208 additional teachers, and providing teaching and learning equipment and materials for primary and secondary education. Details of achievements are given in percentages and numbers, but without links to expenditure.

Currently, only 0.6% of the education budget goes into pre-primary. With the targets to increase classrooms and salaried staff, this budget will have to be increased significantly to sustain the needs. The scaling up of school feeding, which has as one of its primary objectives the increase of attendance, was reflected in a budget increase of USD 8 000 000 to USD 25 000 000 (now 6% of the total education budget) in the 2021/2022 budget revision. However, most costs of pre-primary education, such as a percentage of school feeding fees and salaries for caregivers, are still absorbed by families.

Formal administrative coordination mechanisms have been established for each district and almost half of the education budget (49.4%) is executed through the decentralized entities (districts). Although all expenditure relating to schools is channelled through the district offices, district strategic plans coordinated with the ESSP are reported as generally not being available. Of those that have been compiled, many apparently cover only capital projects. Implementing national priorities at the district level with equity and efficient use of resources would therefore probably require more strategic planning.

Monitoring

Rwanda has a comprehensive approach to the collection and production of education data at the central level. The annual production of education statistics since 2018 engages a number of agencies of the Ministry of Education (MINEDUC), as well as decentralized entities, the Ministry of Gender and Family Promotion (MIGEPROF), and the National Early Childhood Development program, and uses eight data collection tools to cover the life cycle from pre-primary level up to adult literacy. The latest statistics were issued in April 2022. The analysis of education data and indicators is longitudinal and directly linked to education sector plan goals, with statistics covering both in school and out-of-school populations. The Forward-Looking Joint Review of the Education Sector (June/July) and the Backward-Looking Joint Review of the Education Sector (October/November) are annual reviews that respectively set objectives and review sector progress towards the realization of previously established yearly targets. Along with the Education Sector Analysis (ESA) and the Education Sector Strategic Plan (ESSP) they employ disaggregated data and complementary international and national evidence to formulate policy and program direction, although some concerns have been raised about timeliness to ensure data is used in monitoring and follow-up of action points.

From 2011, the Rwanda Education Board (REB) developed the Learning Assessments in Rwandan Schools (LARS) with academic rigor and the oversight of a Technical Working Group. LARS reports recognize that the ESSP aims at building holistic competencies of children, like problem solving and communication, but has focused on studying literacy and numeracy skills only. This means that pre-primary education is currently not captured in this assessment. In 2020, the country established the National Examination and School Inspection Authority (NESA) to monitor the implementation of standards through regular school inspections and to administer assessments in basic education and TVET. Progress has been made in developing a Teacher Management Information System (TMIS) as part of larger quality assurance systems improvements, as well as the planned development of the Quality Assurance Management Information System for school inspection and data reporting.

Education is the most decentralized sector in Rwanda. The use of data for district or school-level decision-making has been highlighted as an area that needs more attention, in line with better monitoring of quality in the education system and teacher management. Inspectorates have limited capacity to inspect schools, compounded by the weak link between central education planning and monitoring and decentralized implementation by district administrators employed by a separate ministry (Ministry of Local Government, or MINALOC). The district level is responsible for

providing education statistics and preparing the five-year education development plans, and thus plays a key role in determining priorities and allocating resources.

Overall, and although the Education Management Information System (EMIS) and Learning Assessment systems drive and inform centralised education sector and planning, the lack of timely and accurate data use and analysis to drive district-level plans, activities, and investments is a risk to the future progress of the education system and risks exacerbating inequalities between districts and vulnerable populations, especially girls.

Inclusiveness and gender

Rwanda has an explicit policy on Girls' Education, and this has ensured that both girls and boys have equal access to quality education at all levels of education. According to the latest Education Statistics, more female than males are enrolled in pre-primary schooling and the Gender Parity Index stands at 1.07. Nonetheless, there is a need to continue the positive trend in pre-primary but also to further incentivise early gender equality sensitisation, and to further implement the goals of the ESSP. Education data is well disaggregated to capture information on specific populations such as refugees, as well as to point to gaps and related actionable solutions that are also gender-responsive. However, and whilst special needs has become a growing topic in the education sector, there is still a lack of data on how many children have disabilities (in school and out of school) and how to best identify both physical, intellectual, sensory and mental disabilities and address these. Limited information pertaining to special needs & inclusive education is incorporated in the Early Childhood Development (ECD) programs and Teachers Training Colleges (TTC) curriculum.

Rwanda has an inclusive policy towards refugees, who have access to the national educational system. Hence, they will be equally targeted through any country-wide action. Furthermore, specific project target refugee camps, and key partners have been consulted in this field.

In conclusion, the policy is sufficiently relevant and credible for budget support contract objectives to be largely achieved. Therefore the policy can be supported by the Commission with the proposed budget support contract.

2.3.3 Macroeconomic Policy

Main Macroeconomic Indicators			
	2020	2021 (projections)	2022 (projections)
Real GDP	-3.4%	10.9%*	7%
Total public debt (including guarantees) (% GDP)	71.3%	79.1%	81.3%
External public debt (% GDP)	55.6%	63%	66.8%
Present Value (PV) of total public debt (including guarantees) (% GDP)	50.3%	55.7%	56.7%
Current Account balance (% GDP)	-11.9%	-13.4%	-12.2%
Exports – goods and services (% GDP)	18.7%	22.3%	25.7%
Imports – goods and services (% GDP)	34.6%	41.2%	43.4%
CPI (consumer price index) – yearly average	7.7%	2.4%	4.9%
Budgetary deficit (fiscal year) in GDP %	-9.1%	-9.2%	-8.6%
Budgetary deficit (fiscal year) in GDP % and excluding grants	-12.4%	-13.6%	-12.5%

***IMF has not yet published any formal actual numbers for 2021, thus only projections are indicated for years 2021 and 2022. The only exception is Real GDP, for which IMF endorsed government's official figure released in March 2022.**

The International Monetary Fund (IMF) completed 2021 Article IV consultation and 5th review under the Policy Coordination Instrument (PCI) at the end of 2021. PCI has been in place since June 2019 and will be implemented until June 2023, following a one-year extension approved in 2021. Rwanda is one of the first low-income countries to benefit from a PCI instrument. In April 2022, IMF also concluded a staff visit to Rwanda under the 6th PCI review, report of which will not become available prior to early July 2022. This instrument does not include any financial transfer, only policy assessment and technical assistance. It aims to accompany the 'implementation of the National Strategy for Transformation (NST1), while maintaining macroeconomic stability'. The PCI aims specifically at developing a medium-term fiscal plan, enhancing domestic revenue mobilisation and improving fiscal transparency. However, in August 2021, Rwanda became a beneficiary of Special Drawing Rights (SDRs) allocation in amount of about USD 219 000 000, for budget financing. Implementation of PCI also enabled the use of IMF's emergency assistance provided by the Fund under the Rapid Credit Facility (RCF1 and RCF2), as well as 2020 debt service relief under the Fund's Catastrophe Containment and Relief Trust (CCRT), which have been instrumental in strengthening the country's external position and in providing the needed additional fiscal space.

During the latest IMF review mission, real GDP growth for 2021 was confirmed at 10.9 %, higher than the projected 10.2 % under the 5th PCI review, which follows a 3.4 % contraction in 2020. This demonstrates a rather strong navigation through the COVID-19 pandemic. The economic recovery was achieved through robust fiscal stimulus and accommodative monetary policy, solid global recovery, a swift vaccination campaign and targeted lockdowns. For 2022, real GDP growth is projected to reduce to 7 %. The war in Ukraine and global uncertainties will most likely negatively impact GDP. Growth is expected to return to its pre-pandemic trend (10 %) by end-2023. The Government's response to the pandemic – including fiscal support to households and business – has been considered '*well-designed and targeted*'. IMF also agreed on relaxation of fiscal programme targets in order to accommodate for additional spending needs. The public budget deficit was lower than projected in the second half of FY 2020/21 notably because of higher income tax collection.

Despite otherwise strong economic performance, at the onset of the COVID-19 pandemic, debt started rising rapidly and the risk of debt distress shifted from low to moderate. Debt sustainability is increasingly becoming a concern, projected to supersede 80 % of GDP in 2022. Rwanda has very limited space to absorb shocks. Stress tests show that solvency risks are elevated.

The authorities have however successfully raised USD 620 000 000 in a second Eurobond issuance in August 2021. 85 % of the proceeds were used to buyback 85 % of the outstanding USD 400 000 000 Eurobond maturing in 2023, and to early redeem other commercial debt. This financial operation will help reduce near-term liquidity risks. To accommodate government spending needs and allow flexibility in addressing future shocks, the PCI fiscal rule was suspended in favour of a consolidation path for the fiscal deficit that is expected to gradually return to medium-term target of 65 % GDP.

During the year 2021, the external sector, and in particular regional trade, adjusted to the pandemic situation started recovering after experiencing significant deterioration in 2020. Nevertheless, the trade in goods deficit deteriorated in Rwanda by around 30 % to USD 2 200 000 000 in 2021 compared to USD 1 700 000 000 in the previous year. This was driven by a decrease of 21.9% in exports and increase in imports by 3.5 % in 2021. The trade deficit in goods and services is expected to increase further as the economy picks up in 2022 and price of raw commodities is increasing.

Based on this analysis, despite experiencing some challenges in light of global economic uncertainties, it can be concluded that the authorities are pursuing a stability-oriented macroeconomic policy and the eligibility criterion is met.

2.3.4 Public Financial Management

Rwanda continue to implement a public finance management (PFM) Sector Strategic Plan for the period 2018-2024 (PFM SSP 2018-24). The implementation of the PFM SSP is currently supported by three major interventions namely the PFM Reforms Basket Fund where contributing development partners are German and Belgian cooperation, the PFM Reforms Project funded by the World Bank and the Local Government PFM Capacity Building Programme financed by British cooperation. Authorities have also committed to accelerate reforms in the area of domestic revenue mobilisation as IMF urged fiscal consolidation to meet PCI targets.

The pandemic has negatively impacted the pace of reforms and a number of activities were suspended or postponed due to social distancing measures and lockdowns, nonetheless in 2021 following easing of restrictions, the implementation has improved. At the local level, districts continue to face important PFM constraints that have an impact on service delivery (Public Expenditure Survey and the annual Citizen scorecards rate agriculture services as the poorest of all sectors).

Two public expenditure financial assessments (PEFA) were launched in the second quarter of 2022 at national and subnational level, gender budgetary sub-component is also included and to be assessed. The PEFA findings will provide ground for further adaptation of PFM reforms. The last PEFA was conducted in 2016.

Last but not least, Rwanda has taken steps to adopt the IMF's Green Public Financial Management (PFM) approach. This approach ensures climate objectives are integrated into PFM practices, including in budget preparation (medium-term budget frameworks, budget circulars), budget execution (tagging of climate expenditures), public investment management, control and audit, and legal frameworks.

In conclusion, the public finance management reform strategy is sufficiently relevant and credible, including on domestic revenue mobilisation, and the eligibility criterion is met.

2.3.5 Transparency and Oversight of the Budget

In the latest available report on fiscal transparency, published by Open Budget Index (OBI) in 2019, Rwanda scored 39 out of 100 in terms of fiscal transparency, which is significant improvement from score of 22 in 2018, and slightly better than in the assessment in 2015 when it scored 36 (Open Budget Survey-OBS 2019). It is important to note that the government stopped publishing three critical documents between OBS 2015 and OBS 2017: Executive's Budget Proposal, the Mid-Year Review, and Year-End Report. Rwanda thus still ranks among the countries with minimal publicly released information regarding fiscal transparency, sentiment that development partners in Rwanda share. Moreover, the OBS report emphasises the importance of strengthening public participation in the budget process (the public participation sub-score of the transparency index is particularly low, at 15 %).

The IMF has undertaken a Fiscal Transparency Assessment and identified a number of fiscal risks including government guarantees on State Owned Enterprises (STEs). The IMF subsequently required the quantification of fiscal risks, the creation of a fiscal risk committee, the creation of a fiscal risk registry and the publication of a fiscal risk statement. Outstanding public guarantees are now reflected in the public debt. The report of 5th IMF PCI review indicates that Fiscal transparency has advanced with the migration to Government Finance Statistics Manual 2014 standards for quarterly reporting, the expansion of the coverage of fiscal reporting to the central government and local governments, and the compilation of a financial balance sheet for SOEs and the Rwanda Social Security Board (RSSB).

The Government presented their latest Budget Framework Paper (BFP) and medium-term budget estimates for FY 2021/22 and FY 2023/24 to both chambers of Parliament in May 2021. 10 points for considerations were presented in line with NST1 and Vision 2050.

In conclusion, the relevant budget documentation has been published and the eligibility criterion is met.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The Overall Objective (Impact) of this action is to enhance quality of learning outcomes that are relevant to Rwanda's social and economic development

The Specific(s) Objective(s) (Outcomes) of this action are to

1. To increase access to pre-primary education
2. To increase quality of pre-primary education
3. To support good governance, financing, strategy and planning across the pre-primary sector

The Outputs to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are

- 1.1 Increased access to pre-primary through schools/classrooms construction, with a focus on inclusion
- 1.2 Expansion of the national school feeding programme supported
- 1.3 Increased supply of pre-primary teachers

- 2.1 Increased access to quality training for teachers
- 2.2. Improved standards, assessment and curriculum for pre-primary education
- 2.3. Increased access to school materials
- 2.4. Increased access to community and parental education programmes for early learning

- 3.1. Improved coordination amongst Ministries and key agencies in strategy, financing, planning, policy development and implementation of pre-primary

3.2 Indicative Activities

Activities relating to Output 1.1:

- Construction of inclusive classrooms and school infrastructure country-wide

Activities relating to Output 1.2;1.3, 2.1, 2.2, 2.3:

- Provision of school meals country-wide
- Contribution to mandatory in-service training of teachers to be on the payroll
- Provision of school materials for pre-primary levels
- Facilitation of inspections and adequate assessments at pre-primary level

Activities relating to Output 2.3 and 2.4:

- Support to a government agency to increase reach and quality of existing structures, as well as for community workers, to support parenting practices, as well as increase access to quality teaching materials for parents.

Activities relating to Output 3.1 and 2.2:

- Technical assistance to the Ministry of Education and relevant affiliated agencies in the area of pre-primary education to support good governance, overall policy reforms and coordination amongst Ministries and agencies, as well as improved strategies and planning

3.3 Mainstreaming

Environmental Protection & Climate Change

Outcomes of the SEA screening (relevant for budget support and strategic-level interventions)

The Strategic Environmental Assessment (SEA) screening concluded that no further action was required.

Outcomes of the EIA (Environmental Impact Assessment) screening (relevant for projects and/or specific interventions within a project)

The EIA (Environment Impact Assessment) screening classified the action as Category B (for which an EIA will be undertaken).

Outcome of the CRA (Climate Risk Assessment) screening (relevant for projects and/or specific interventions within a project)

The Climate Risk Assessment (CRA) screening concluded that this action is at risk (climate risk will be addressed as part of an EIA).

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that Gender will be mainstreamed across all aforementioned actions in support of SDG 5 (Gender Equality and Women's Empowerment).

Gender equality is a strong priority in Rwanda, with strong laws and policies promoting gender equality and women's empowerment. Rwanda has passed the necessary legal frameworks to ensure the provision of basic education to all. The 7th priority within the ESSP highlights the strategies surrounding gender issues in the education sector (Equitable opportunities for all Rwandan children and young people at all levels of education).

According to the latest Education Statistics, more female than males are enrolled in pre-primary and the Gender Parity Index stands at 1.07. Nonetheless, women continue to face discrimination as a result of traditional stereotypes, with rates of Sexual and gender based violence (SGBV) and teenage pregnancy remaining very high. There is a need to continue the positive trend in pre-primary but also to further incentivise early gender equality sensitization. This will be achieved through community and parental education programmes, teacher training and by considering gender and inclusion in the construction of new pre-primary classrooms.

Human Rights

This action supports the implementation of SDG 10 (Reduced Inequality), SDG2 (Zero Hunger) and SDG 3 (Good Health and Well Being).

Access to pre-primary education is uneven across Rwanda, especially between urban and rural areas. Access is also linked to wealth, with indications – as shown in the 2017 Education Sector Analysis (MINEDUC, 2017) – being that children in the richest quintile are more likely to access pre-primary education than children from the three poorest quintiles. The action takes into account the need to uplift the sector and country-level, including rural communities, refugees and other marginalized groups. Child protection is also one of the components of this actions' community and parental education programmes.

Stunting remains a problem in Rwanda, hence pre-primary education can play a key role in addressing malnutrition and supporting new mothers, through for example school feeding and support to nutrition and

health. According to government sources, stunting has dropped to 33 %. The survey results showed that 36 % of children in rural areas were stunted compared to 20 % in urban areas. A new School Feeding strategy is set to be finalised by the end of 2022, and the EU is closely involved in these discussions.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. This implies that the action is considered relevant for inclusion of persons with disabilities. This action, which supports the implementation of SDG 10 (Reduced Inequality), aims to mainstream inclusiveness and special needs across all activities, this includes support to early identification of disabilities (assessment, standards, teacher training), appropriate infrastructure, materials, parental practices, policy, etc. This should include physical, intellectual, sensory and mental disabilities.

Democracy

Education is the most decentralised sector in Rwanda. Formal administrative coordination mechanisms have been established for each district and almost half of the education budget (49.4%) is executed through the decentralized entities (districts). Sector coordination falls across different ministries and agencies. Hence, continues inclusive policy dialogue, with government and other stakeholders is key to this action.

This action sets a key emphasis on good governance, and coordination, with the aim of uplifting the pre-primary sector across the country. Better monitoring and planning abilities are key to assure that efforts to scale up access to this sub-sector are equal across districts.

The action also aims to channel most of its funds through government institutions, in order to provide better and equal access to pre-primary education, and to work on the long-term sustainability of the sector.

Conflict sensitivity, peace and resilience

The action aims at promoting fair and equal access to skills and education as basis for creating equal opportunities.

As of September 2021, Rwanda hosted 127,163 refugees and asylum seekers; 49% were children, 51% were females, and 90% lived in camps (Kigeme, Mugombwa, Nyabiheke, Kiziba, Gihembe, and Mahama). Others (10%) lived in urban areas and Emergency Transit Mechanism (ETM). Congolese refugees were the majority of the population, 61%, followed by Burundians, 38.7%.

Refugees are included in the national system, including access to education. Other partners, such as UNHCR, have specific educational projects in refugee camps. This action will consider access for all populations, including refugees and historically marginalized communities, and when possible, will aim to have desegregated data.

Disaster Risk Reduction

The action will contribute to disaster risk management in Rwanda. Some of the more important risks in Rwanda are: floods, landslide and local droughts. This action will contribute to this area by considering natural disasters in the design, location and construction of schools, for their long-term sustainability and safety. Furthermore, the programme will contribute to the national school feeding programme, which can ensure schoolchildren have access to one school meal a day, thereby reducing seasonal hunger.

With the support from the UN World Food Programme (UN WFP), the Ministry of Education has developed School Feeding Operational Guidelines to provide guidance to schools and other stakeholders involved, to effectively implement a high quality and safe School Feeding Program by leveraging food produced from local farmers and cooperatives while improving the local economy. The menu presents different locally available options (not imported or brought from other parts of the country), making it more resilient towards risks such as higher transportation costs (e.g. fuel). All schools are encouraged to alternate food items within food groups based on the substitution tables, to allow for better meal diversification, affordability and availability to procure locally-available food items. Seasonal products do hence have substitutes. However, the main risk for food prices to

increase would be climate change and climate shocks that affect harvests, as well as local produce availability. The new school feeding policy taskforce will assess the funding gap further, as well as its sustainability, including the procurement model and the role of school gardens. Additional forms of funding (social protection budget, health budget) will also be assessed, and other innovative solutions (e.g. fundraising campaigns).

Other considerations if relevant

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
1-2	Risk 1: challenges in classroom construction across different districts and sectors	High	High	Feasibility study, Reliance on previous World Bank school-construction programme, Mobilisation of TA support to implementing partners
2	Risk 2: insufficient allocation to pre-primary within education budget hampers sustainability	High	Low	Pre-primary is a key government priority, a budget increase for school feeding is already foreseen in the latest budget review (February 2022); a decrease for parent contributions for school feeding in pre-primary has already been implemented (September 2022); policy dialogue; budget support indicators
2-5	Risk 3: challenges in sector coordination	High	Medium	Twinning grant will focus on supporting coordination across ministries and agencies; policy dialogue
2-5	Risk 4: Changes at leadership level in key institutions	High	Medium	Policy dialogue

Lessons Learnt:

An external Evaluation of EU Budget Support to Rwanda (2011-2018) was conducted in 2020. Evaluators concluded that in general, EU budget support inputs were appropriate and relevant in the political, economic and social context of Rwanda and were appropriately adjusted to changing Government of Rwanda priorities. This Action will ensure effective implementation of the sector related recommendations put forward by the evaluators.

Implementation of the two budget support operations in Agriculture and Energy advanced satisfactorily, including through the relevant policy dialogue, even though these were impacted by the COVID-19 pandemic. Policy dialogues were organised in the aforementioned sectors throughout the duration of both budget support operations. This is the first EU-budget support operation in Education in Rwanda; hence, a strong policy dialogue with the Ministry of Education (MINEDUC) and the Ministry of Gender and Family Promotion (MIGEPROF) will be key to its implementation.

The government of Rwanda has a good track record at implementing education policies and programmes, including with development partners, such as the aforementioned programme with the World Bank which included a significant schools construction component.

3.5 The Intervention Logic

The underlying intervention logic for this action is that by pursuing an integrated approach and addressing three key objectives and pillars of the sector, namely a) improving school access b) improving quality of education and c) supporting good governance, this action will successfully contribute to the expansion of pre-primary education throughout the country.

Increased access to pre-primary implies acting on a certain number of dimensions, which are considered in the various outputs of the actions. First, there needs to be sufficient infrastructure and classrooms to progressively accommodate pre-primary age children, and thus improve net enrolment ratios. This is the reason why the proposed action will include a countrywide schools/classrooms construction component, with a focus on inclusion (Output 1.1). There also needs to be a sufficient number of trained teachers in pre-primary, and this requires support to pre-service training schemes, as well as in-service training schemes (including financing of associated costs, now borne by teachers) to consider teachers already active in other settings such as faith-based supported schools or community based setups (Output 1.3). Last, access is also closely linked to affordability. While basic education is free in Rwanda, a certain number of out-of-pocket costs still apply to parents. These mainly constitute teachers' salaries for pre-primary (and therefore Output 1.3 would also contribute to mitigate that, as qualified teachers would be put on the government payroll) and school feeding costs (both food and fuel). On the latter, support to roll out the national school feeding programme (Output 1.2) would alleviate financial pressure on parents, as well as provide better education outcomes (given the strong connection between nutrition and quality education).

Likewise, increasing the quality pre-primary education requires considering several drivers. First, the quality of teachers' training is a fundamental part (Output 2.1). This requires looking at training delivery, both at teachers training colleges but also blended approaches for in-service trainings, as well as exposure of teachers to schooling environment. Quality underlying material is also fundamental. Curriculum should be of appropriate quality, and proper assessment and inspections framework put in place, with appropriate means for implementation, to ensure feedback to delivery of these curricula (Output 2.2) and monitoring of education outcomes. Pre-primary education also requires specific learning material that differs from primary education (less teacher centred, requires educational toys, etc.) which delivery should be ensured to all schools (Output 2.3). Last, education outcomes can only be sustained if efforts go beyond the schools' environment and parents understand the benefit of pre-primary education, and adopt aligned parenting practices, such as learning through play (Output 2.4).

Underpinning efforts to increase both access and quality is a proper governance and financing framework for the education sector. This requires improved coordination amongst Ministries and key agencies in strategy, planning, policy development and implementation of pre-primary (Output 3.1).

3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

Caveat: the indicators used in the LFM refer to the budget support intervention logic. They help monitoring the implementation of the programme in view of its objectives and later evaluate its contribution to country policy's achievements. The list of indicators below should not be understood as the list of indicators informing the disbursement of variable tranches and spelled out in the relevant part of the financing agreement signed with the partner country, although some indicators may be used for both purposes and will be marked accordingly.

BUDGET SUPPORT MODALITY as reflected by the national/sector public policy supported (4 levels of results / indicators / Baselines / Targets / Source of Data - no activities)

Results	Results chain	Indicators (max. 15)	Baselines (year)	Targets by the end of the budget support contract (year)	Sources of data (1 per indicator)
Indicative Impact of the policy	Enhanced quality of learning outcomes that are relevant to Rwanda's social and economic development.	Learning Adjusted Years of School (considering expected years of school and harmonized test scores)	1. 3.9 (2020)	1. 8 (2024)	1. Human Capital Index, World Bank)
Expected Outcomes of the policy	<ol style="list-style-type: none"> 1. Increased equitable access to pre-primary 2. Increased quality of pre-primary education 3. Good governance, financing, strategy and planning in the pre-primary sector improved 	<ol style="list-style-type: none"> 1.1. Share of pre-primary age children accessing at least 1 year of pre-primary education (including per district) 2.1. Teacher/ student ratio in pre-primary education 2.2. Share of pre-primary teachers fulfilling pre/in-service training 3.1. Share of education budget for pre-primary education 	<ol style="list-style-type: none"> 1.1. 17.5% (2022) 2.1. 48:1 (2021) 2.2. tbd 3.1. 0.6% (FY 2021/22) 	<ol style="list-style-type: none"> 1.1. 45% (2024) 2.1. 30:1 (2024) 2.2. 80% (2024) 3.1. 5% (FY 2024/25) 	<ol style="list-style-type: none"> 1.1 Rwanda Education Statistics 2.1 Rwanda Education Statistics 2.2. Education Forward-looking and Backward-looking reviews 3.1. Annual budget (MINECOFIN)

Induced Outputs					
	<p>1.1. Expansion of the national school feeding programme supported</p>	<p>1.1.1. Amount of parent contribution to school feeding programme per 21 days per child in pre-primary</p> <p>1.1.2. Amount of school feeding budget</p> <p>1.1.3. Share of children in pre-primary receiving one-meal a day through national school feeding programme</p>	<p>1.1.1 RWF 975 per trimester (2022)</p> <p>1.1.2 RWF 27 billion (2022)</p> <p>1.1.3 34.8% (2022)</p>	<p>1.1.1. TBD</p> <p>1.1.2. RWF 35 billion (2024)</p> <p>1.1.3. 80% (2024)</p>	<p>1.1.1.National School Feeding Policy and Guidelines;</p> <p>1.1.2. Annual budget (MINECOFIN)</p> <p>1.1.3. School Feeding Technical Working Group reports</p>
	<p>1.2. Access to quality training for teachers increased</p>	<p>1.2.1. Number of pre-primary teachers on payroll</p> <p>1.2.2 Number of pre-primary teachers equipped with the skills and resources for early screening and to care for children with special needs or disabilities</p>	<p>1.2.1. 3500 (2022)</p> <p>1.2.2. 9% (840 out of 9393) (2022)</p>	<p>1.2.1. 12 000 (2024)</p> <p>1.2.2. 30% (2024)</p>	<p>1.2.1. Education Forward-looking and Backward-looking reviews</p>
	<p>1.3. Access to community and parental education programmes for early learning increased</p>	<p>1.3.1 Proportion of children receiving minimum package for integrated ECD services in accordance with the national standards ³</p> <p>1.3.2. Percentage of parents with increased knowledge and support on health and nutrition</p> <p>1.3.3. Percentage of frontline workers (Community Health Workers, Inshuti z'Umuryango (Friends of the Family), agriculture promoters and ECD caregivers) trained to effectively deliver and coordinate high impact quality health, nutrition and ECD services</p> <p>1.3.4 Number of parents trained by the EU-funded intervention with increased knowledge and/or skills in early gender equality sensitization and positive parenting, disaggregated by sex</p>	<p>1.3.1. tbd with NCDA</p> <p>1.3.2. tbd with NCDA</p> <p>1.3.3. tbd with NCDA</p> <p>1.3.4. tbd with NCDA</p>	<p>1.3.1. tbd with NCDA</p> <p>1.3.2. tbd with NCDA</p> <p>1.3.3. tbd with NCDA</p> <p>1.3.4. tbd with NCDA</p>	<p>1.3.1. NCDA Progress reports for the EU-funded intervention</p> <p>1.3.2. NCDA Progress reports for the EU-funded intervention, including Pre- and post-training test reports</p> <p>1.3.3. NCDA Progress reports for the EU-funded intervention, including Pre- and post-training test reports</p> <p>1.3.4. NCDA Progress reports for the EU-funded</p>

	1.4. Access to school materials increased	<p>1.4.1. Number of pre-primary schools with access to toys</p> <p>1.4.2. Ratio of books per child</p> <p>1.4.3.. Number of schools with adapted learning materials for children with special needs</p>	<p>1.4.1. 20.4% (2022)</p> <p>1.4.2. 12:1 (2022)</p> <p>1.4.3. 15% -580 schools (2022)</p>	<p>1.4.1. TBD</p> <p>1.4.2. TBD</p> <p>1.4.3. TBD</p>	<p>intervention, including Pre- and post-training test reports</p> <p>1.4.1. NCDA Progress reports for the EU-funded intervention</p> <p>1.4.1. Education Statistics</p> <p>1.4.2. NCDA Progress reports for the EU-funded intervention</p> <p>1.4.2. Education statistics</p> <p>1.4.3 Progress reports for the EU-funded intervention</p>
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³ (Minimum package refers to priority, high impact multisector interventions (health, nutrition, WASH, social protection, early stimulation and parenting education))

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the partner country.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 84 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation of the Budget Support Component

4.3.1 Rationale for the Amounts Allocated to Budget Support

The amount allocated for the budget support component is EUR 30 000 000 and EUR 5 000 000 for complementary support. This budget operation can therefore substantially contribute to the increase of the current yearly budget for pre-primary, the latest yearly budget for pre-primary amounting just to around EUR 3 000 000. This budget support operation amounts to about 6% of the total budget of the education sector for FY 2020/21.

The budget support operation will be of particular benefit in some expanding areas of involvement of the government in the education sphere, such as school feeding, where additional resources to scale-up nation-wide would be critical. The same assessment applies to all costs to be incurred by the government in their efforts to ensure a steady supply of pre-primary teachers, with thousands to be hired in the upcoming fiscal years. Policy dialogue, underpinned by support through a twinning operation (first complementary measure), would also be key in a context of revision of several key policy documents such as the Education policy, as well as operationalisation of new strategies; such as the national school feeding one.

The second complementary measure, envisioned through support to the National Child Development Agency, will allow to reach beyond school based support and measures, and ensuring that pre-primary children learning outcomes and progress would be sustained thanks to positive parenting behaviours.

As previously indicated, Rwanda continues to implement a public finance management (PFM) Sector Strategic Plan for the period 2018-2024 (PFM SSP 2018-24). The implementation of the PFM SSP is currently supported by three major interventions. Authorities have also committed to accelerate reforms in the area of domestic revenue mobilisation as IMF urged fiscal consolidation to meet PCI targets. A PCI has been in place since June 2019 and will be implemented until June 2023, following a one-year extension approved in 2021. This instrument does not include any financial transfer, only policy assessment and technical assistance and aims specifically at developing a medium-term fiscal plan, enhancing domestic revenue mobilisation and improving fiscal transparency

Implementation of the two budget support operations in Agriculture and Energy advanced satisfactorily, including through the relevant policy dialogue. As stated by the external evaluation of EU Budget Support to Rwanda (2011-2018), budget support resources have contributed to expanding the fiscal space for the government and this space has mainly been used for increasing investment.

The following disbursement calendar and profile proposed for the action is indicative. The actual disbursement calendar and profile will be set out in the financing agreement and may remain subject to change. The majority or totality of the disbursements should fall under variable tranches:

- Year 1 (2023/2024): EUR 10 000 000
- Year 2 (2024/2025): EUR 10 000 000
- Year 3 (2025/2026): EUR 10 000 000

4.3.2 Criteria for Disbursement of Budget Support

a) Conditions.

The general conditions for disbursement of all tranches are as follows:

- Satisfactory progress in the implementation of the National Strategy for transformation (NST-1), the Rwandan Education Sector Policy (2003), the Education Sector Strategic Plan (ESSP) (2018/2019 – 2023/2024), the National Comprehensive School Feeding Policy (2019), the Early Childhood Development Policy (2016) and the National Early Childhood Development Program (NECDP) Strategic Plan 2018-2024, and continued credibility and relevance thereof or of the subsequent policy.
- Maintenance of a credible and relevant stability-oriented macroeconomic policy or progress made towards restoring key balances.
- Satisfactory progress in the implementation of reforms to improve public financial management, including domestic revenue mobilisation, and continued relevance and credibility of the reform programme.
- Satisfactory progress with regard to the public availability of accessible, timely, comprehensive, and sound budgetary information.

b) The performance indicators for disbursement to be used for variable tranches may focus on the following policy priorities: school feeding and nutrition, expansion of pre-primary education (quality, access and governance), financing of pre-primary, standards for assessments and inspections.

c) Modifications.

The chosen performance indicators and targets to be used for the disbursement of variable tranches will apply for the duration of the action. However, in duly justified cases, the partner country and the Commission may agree on changes to indicators or on upward/downward revisions of targets. Such changes shall be authorised in writing ex-ante, at the latest at the beginning of the period under review applicable to the indicators and targets.

In exceptional and/or duly justified cases, for instance where unexpected events, external shocks or changing circumstances have made the indicator or the target irrelevant and could not be anticipated, a variable tranche indicator may be waived. In these cases, the related amount could either be reallocated to the other indicators of the variable tranche the same year or be transferred to the next variable tranche the following year (in accordance with the original weighting of the indicators). It could also be decided to re-assess an indicator the following year against the original target, if there was a positive trend and the authorities did not reach the target because of factors beyond their control. The use of this provision shall be requested by the partner country and approved in writing by the Commission.

d) Fundamental values

In case of a significant deterioration of fundamental values, budget support disbursements may be suspended, reduced or cancelled, in accordance with the relevant provisions of the financing agreement.

4.3.3 Budget Support Details

Budget support is provided as direct untargeted budget support to the national treasury. The crediting of the euro transfers disbursed into Rwandan francs will be undertaken at the appropriate exchange rates in line with the relevant provisions of the financing agreement.

4.4 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures⁴.

4.4.1 Direct Management (Grants)

4.4.1.1 Grants

(a) Purpose of the grant

The grant will seek to increase reach of existing structures and quality of services delivered, to support parenting practices, as well as increase access to quality teaching materials. It will contribute to the following outputs:

- 2.3. Increased access to school materials
- 2.4. Increased access to community and parental education programmes for early learning

(b) Type of applicants targeted

Government institutions

4.4.1.2 Grants (twinning)

(a) Purpose of the grant

The Twinning grant will support good governance, overall policy reforms and coordination amongst Ministries and agencies, as well as improved strategies and planning. It will contribute to the following outputs:

- 2.2 Improved standards, assessment and curriculum for pre-primary
- 3.1. Improved coordination amongst Ministries and key agencies in strategy, planning and implementation of pre-primary education

(b) Type of applicants targeted

EU Member State administrations or their mandated bodies

4.4.2 Contribution to Africa Investment Platform

This contribution may be implemented under indirect management with the entities, called Lead Finance Institutions, identified in the appendix to this Action Document.

4.4.3 EFSD+ operations covered by budgetary guarantees

A part of this action may be implemented through budgetary guarantees under indirect management. The budgetary guarantees would fall within the following priority areas: “Priority area 1 – Education, Skills and Jobs for the Youth in the digital age”.

This section 4.4.3 is included for information purposes only. A comprehensive action plan covering all EFSD+ budgetary guarantees and the financing decision for the entire annual commitment under the EFSD+ budget line are adopted separately.

⁴ www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

4.4.4 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

In case implementation through a contribution to Africa Investment Platform done in indirect management with an entity to be selected cannot take place, due to circumstances outside of the Commission's control, the Commission keeps the right to implement the action under the direct management modality through procurement and/or grants.

In the case of grants the following criteria would be used: (i) previous substantial experience in the education sector; (ii) demonstrated capacity of working with multiple government beneficiaries and CSOs; (iii) strong procurement capacity (iv) experience with EU regulations and (v) proven experience in the implementation of similar projects in the country/region. International CSOs would be eligible as well as Rwandan government agencies.

4.5. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply keep the phrase if any cases below are included, subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.6. Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)
Budget support - cf. section 4.3	30 000 000
Implementation modalities – cf. section 4.4	
Output 1.1. composed of	
Contribution to the Africa Investment Platform - c.f. section 4.4.2	15 000 000
Outputs 2.2, 2.3, 2.4 and 3.1. composed of	
Grants (direct management) – cf. section 4.4.1 (direct award)	3 000 000
Twinning grants – cf. section 4.4.1 (twinning)	2 000 000
Grants – total envelope under section 4.4.1	5 000 000
Evaluation – cf. section 5.2	may be covered by another Decision
Audit – cf. section 5.3	
Totals	50 000 000

4.7. Organisational Set-up and Responsibilities

The Ministry of Finance and Economic planning holds the overall responsibility for the preparation and transmission of disbursement files for Budget Support operations, the fulfilment of the general eligibility conditions, the achievement of the performance targets and the disclosure of financial and no-financial progress reporting.

The Ministry of Gender and Family Promotion (MIGEPROF) and the Ministry of Education (MINEDUC) hold the overall responsibility for the respective sector policies, sector coordination and respective sector strategies implementation.

A High-level policy dialogue, at ministerial level, will take place twice a year. Sector and sub-sector working groups in the areas of education are organised regularly with active implication of the EU delegation, together with joint sector review meetings and inter-ministerial coordination working groups. These will feed the high level policy dialogues. In complement to these dialogues, the EU Delegation in Rwanda will engage regularly with the technical team of MINEDUC and MIGEPROF, at permanent secretary (PS) level, on policy progress and performance achievement.

An overall Steering Committee (SC) will also be established to oversee the implementation of all components of the action (including the schools' construction) and provide strategic guidance to the action. Indicative members of the SC will be: MINEDUC, MIGEPROF, MINECOFIN, MINALOC, NCDA, REB, NESAC, EU Delegation in Rwanda, and the lead IFI selected for the implementation of the action. The SC will also look at ensuring adequate representation from other government ministries/ agencies, development partners, or civil society and or the private sector on a case by case basis. The main responsibilities of the SC will be to review and validate work plans, budgets, ensure overall project performance against planned objectives; ensure overall coherence amongst the different activities; inform on the relevant and complementary activities implemented in the framework of other initiatives funded by development partners or government of Rwanda.

The creation of a project implementation unit is also envisaged within MINEDUC, to oversee the schools' construction component implementation.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

At sector level, the main monitoring tools are the Education Statistics and the Education Management Information System. (EMIS), and the Forward-looking Joint Review of the Education Sector (FL JRES) and Backward-looking Joint Review of the Education Sector (BL JRES). Education Statistics are issued once a year by MINEDUC and are based on EMIS data. The FL JRES and BL JRES bring together government and stakeholders of the Education Working Group, including development partners. The FL JRES takes place around June sets new targets to be achieved, based on the ESSP and NST 1 strategy. The BL JRES takes place around November and reports back on targets set in the previous year. Additionally, the education technical working groups, in which the EU plays an active role, gather data and provide input to the wider Education Sector Working Group. Through these, several reports and recommendations are also developed. The data collection system in the educational sector is well-developed. Some challenges arise in the area of data collection from districts, as well as overall late publication of results. UNICEF is currently supporting MINEDUC with the upgrading of technical systems of reporting.

The Twinning grant will be instrumental to support and monitor coordination between MIGEPROF, MINALOC, and MINEDUC, along with other key agencies, and further improve reporting functions.

The statistical and monitoring systems as well as the quality of official data in the policy field covered have been assessed. This assessment has fed into the design of the action as follows:

- Key baseline data from the aforementioned sources has been used to build the action
- The challenges in monitoring are being addressed through the intervention, by reinforcing coordination and setting targets that foster better monitoring and planning

No baseline survey will be conducted. However, further data will be gathered under the direct grant foreseen under this action.

5.2 Evaluation

Having regard to the importance of the action, a mid-term and final evaluations may be carried out for this action or its components via an implementing partner or via independent consultants contracted by the Commission.

The mid-term evaluation may be carried out for problem solving and learning purposes, in particular with respect to the possibility of launching a second phase of the action.

The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that this is the first budget support operation in Education in Rwanda.

The evaluation of this action may be performed individually or through a joint strategic evaluation of budget support operations carried out with the partner country, other budget support providers and relevant stakeholders.

Should the evaluations be performed by independent consultants contracted by the Commission, the latter shall inform the implementing partner at least 30 days in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

Evaluation services may be contracted under a framework contract.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will

instead-be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

Appendix 1 REPORTING IN OPSYS

An Intervention (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: ‘a given contract can only contribute to one primary intervention and not more than one’. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a ‘support entities’. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

The present Action identifies as

Contract 1 Blending/Grant EUR 15 000 000	This will be a blending operation for classroom/school construction, which includes an estimated EUR 50 000 000 in blending with a Lead Finance Institution (to be selected) and a grant of EUR 15 000 000.
Contract 2 Budget Support EUR 30 000 000	A budget support operation (Sector Reform Performance Contract) to support: <ul style="list-style-type: none"> - Provision of school meals country-wide - Contribution to mandatory in-service training of teachers to be on the payroll - Provision of school materials for pre-primary levels - Facilitation of inspections and adequate assessments at pre-primary level
Contract 3 Twinning grant EUR 2 000 00	A Twinning grant to provide assistance to the Ministry of Education and relevant affiliated agencies in the area of pre-primary education to support good governance, overall policy reforms and coordination amongst Ministries and agencies, as well as improved strategies and planning.
Contract 4 Grant EUR 3 000 000	A grant to support a government agency to increase reach and quality of existing structures, as well as for community workers, to support parenting practices, as well as increase access to quality teaching materials for parents.

Appendix 2 LIST OF LEAD FINANCE INSTITUTIONS

Kreditanstalt für Wiederaufbau – KfW

European Investment Bank – EIB

Agence Française de Développement - AFD