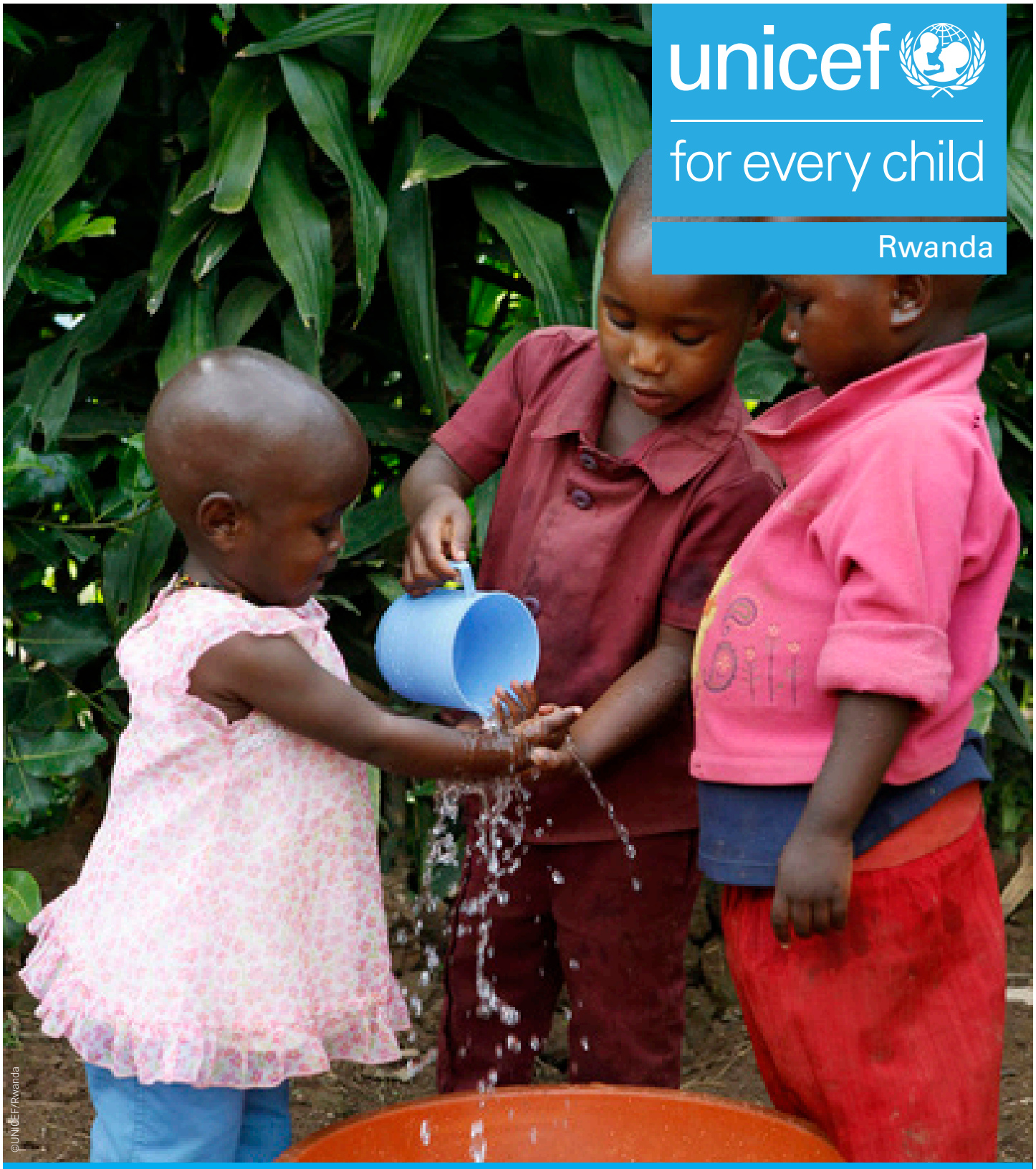


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# Wash Budget Brief

## Investing in Water, Sanitation and Hygiene for Child Welfare in Rwanda

2023/24

Wash Budget Brief, Investing in Water, Sanitation and Hygiene for Child Welfare in Rwanda 2023/24


December 2023

# Preface

This Water, Sanitation and Hygiene (WASH) budget brief explores the extent to which the Government of Rwanda (GoR) funds WASH sector needs. The brief analyses the size and composition of budget allocations to the WASH sector for the fiscal year 2022/23, as well as spending trends over the past few years. The brief aims to synthesise complex budget information and offers recommendations to strengthen budgeting to drive improvements in child wellbeing. In the development of the 2023/24 WASH budget brief, we use the original budget Law n° 030/2023 of 30/06/2023 on State finances for the 2023/2024 fiscal year, while for the previous years' budgets, the figures are drawn from the revised budget laws.

# Key Messages

WASH sector budget allocations have been increasing for the past few years, showing a strong commitment by the Government of Rwanda to expand access to quality WASH services. In 2023/24, the total allocations to the WASH sector increased by 28.6 per cent, from FRW 74.4 billion allocated in the 2022/23 revised budget to FRW 95.7 billion in fiscal year (FY) 2023/24. However, the sector financing gap remains significant, given ambitions to reach 100 per cent access to safe drinking water and sanitation services by 2030. In the medium term, there is a need to strengthen mechanisms to mobilise WASH sector resources including, among others, efficiency improvement and increasing the role of public and private partnerships.

The external resources dominate WASH sector financing, and the domestic resources have reduced in 2023/24. The domestic budget allocated to the WASH sector amounts to FRW 40.4 billion, against the FRW 43.8 billion allocated in the 2022/23 revised budget. While the Government of Rwanda has made commendable efforts to mobilise external resources through the African Development Bank (AfDB) and other development partners, there is a need to protect domestic resources for WASH to safeguard the sector financing sustainability.

The WASH sector budget is mainly allocated to support programmes on drinking water access in urban areas. In 2023/24, the budget for the drinking water access programme accounts for 64 per cent of the total WASH budget. The total WASH budget allocated to rural WASH activities represents 24 per cent although the majority of the Rwandan population resides in rural areas. To strengthen equitable access to WASH services and accelerate the realisation of NST1 and Sustainable Development Goals (SDGs) ambitions in WASH, there is a need to prioritise rural WASH programmes in the national budget.

# 1. Introduction and Sector Overview

The WASH sector in Rwanda is coordinated by the Ministry of Infrastructure (MININFRA). Other Ministries such as the Ministry of Health (MINISANTE), the Ministry of Local Government (MINALOC), Water and Sanitation Corporation (WASAC), Districts and the Rwanda Utility Regulatory Authority (RURA) play a critical role in the implementation and regulation of WASH policies, strategies and WASH service delivery. The WASH priorities are outlined in various strategic documents governing Rwanda's planning and budgeting process. These are the Vision 2050, the National Strategy for Transformation (NST1, 2018-2024) and the Water and Sanitation Sector Strategic Plan (2018-2024).

The WASH budget brief covers four priority programmes, as outlined in the state finance/budget laws. These include: (i) Drinking Water Access; (ii) Sanitation Access; (iii) Water infrastructure and Sanitation for districts; and (iv) Water and Sanitation Policy Development Monitoring and Evaluation.

**The ambition of WASH levels of service needs has been increasing over the recent years.**

The SDGs and NST1 have increased the level of ambition previously embedded in the Millennium Development Goals (MDGs) and Economic Development and Poverty Reduction Strategy (EDPRS II). Achieving the SDGs and NST1 targets requires considerably more resources than previously needed. Table 1 (Water) and Table 2 (Sanitation) present a progressive increase of ambition and level of service from the MDGs (EDPRSII) to the NST1 and SDGs by 2030.

**Table 1: Greater Ambition: Increasing the Level of Water Service Desired, 2013-2030**

Source: Water and Sanitation 2017-18 Backward Looking JSR report (EDPRSII, NST1 and SDGs documents)

| Planning documents | Indicator in SDG terms | Definition |
|---|---|---|
| SDG (2030) | Safely managed water supply service | Drinking water from an **improved source** which is located **on premises, available when needed, and free of faecal and priority chemical contamination.** |
| NST1 (2024) | Basic water supply service | Drinking water from an **improved source**, provided **collection time is not more than 30 minutes** for a round trip, including queuing |
| EDPRSII (2013–2018) | Limited water supply service *(improved water source)* | Drinking water from an **improved source** where the distance for water collection does not exceed 500 metres in rural areas and 200 metres in urban areas. |

**Table 2: Greater Ambition: Increasing the Level of Sanitation Service Desired, 2013-2030**

Source: Water and Sanitation 2017-18 Backward Looking JSR report (EDPRSII, NST1 and SDGs documents)

| Planning documents | Indicator | Definition |
|---|---|---|
| SDG (2030) | Safely managed sanitation service | Use of **improved facilities** which are **not shared** with other households and where **excreta are safely disposed in situ or transported and treated off-site** |
| NST1 (2024) | Basic sanitation service | Use of **improved facilities** which are **not shared** with other households. |
| EDPRSII (2013–2018) | Limited sanitation service (Improved sanitation facility) | Use of **improved facilities** which may be **shared** between two or more Households. |

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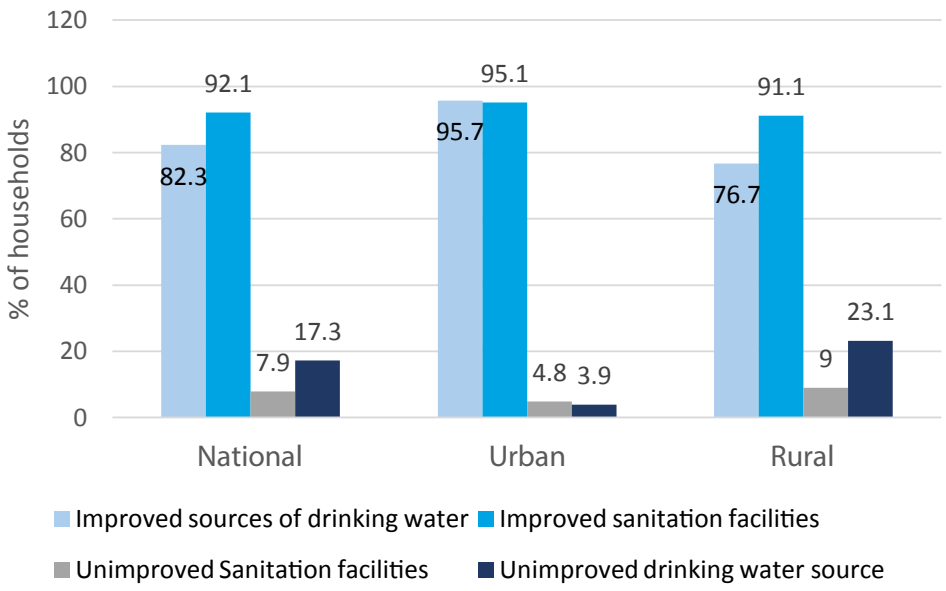
Data from the Fifth General Population Census show that 82 per cent of Rwandans have access to improved sources of drinking water. However, the rate of access differs when comparing rural (77 per cent) and urban (96 per cent) populations. The Demographic and Health Survey (DHS, 2019/20) shows that 55 per cent of the Rwandan population had access to basic drinking water services in 2020, but there was a significant divide between urban (85 per cent) and rural (48 per cent) residents. 72 per cent of the households in Rwanda (56 per cent in urban and 79 per cent in rural) had access to a basic sanitation facility in 2022. Regarding access to sanitation facilities, the fifth primary health care (PHC) data show that, nationally, around 92 per cent of the population have access to improved sanitation facilities, while 95 per cent and 91 per cent have access to improved sanitation facilities in urban and rural areas respectively (**Figure 1**).

Access to basic sanitation increased from 57 per cent in 2020 (DHS data) to 72 per cent in 2022 (PHC data). DHS data show that some 25 per cent of Rwanda's population (37 per cent in urban and 23 per cent in rural areas) had access to a handwashing facility with soap and water in 2020.

**Figure 1: Source of Drinking Water Access and Access to Sanitation**

Source: NISR- General Housing and Population Census 2022

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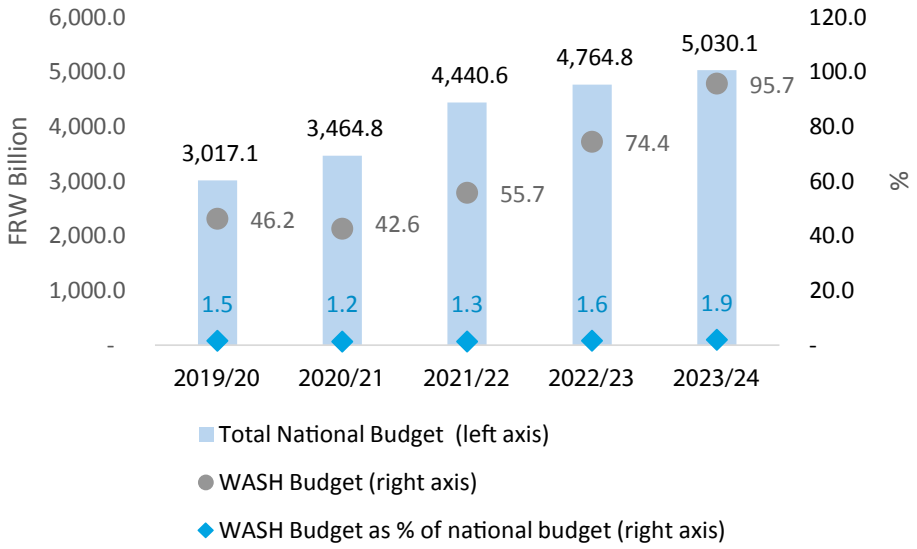
# 2. WASH Sector Spending Trends

**The WASH sector budget allocations have been increasing for the past five years, showing commitment by the Government of Rwanda to expand access to quality WASH services.**

**The budget allocation for the WASH sector has continued to increase over the past years.** In 2023/24, the WASH sector was allocated FRW 95.7 billion, up from FRW 74.4 billion in the 2022/23 revised budget, reflecting a nominal increase of 28.6 per cent. As a share of the total national budget, the WASH budget has increased from 1.6 per cent in the 2022/23 revised budget to 1.9 per cent in 2023/24 **(Figure 2)**.

**Figure 2: WASH Budget Allocation Trends**

Source: Calculated using State Finance Laws



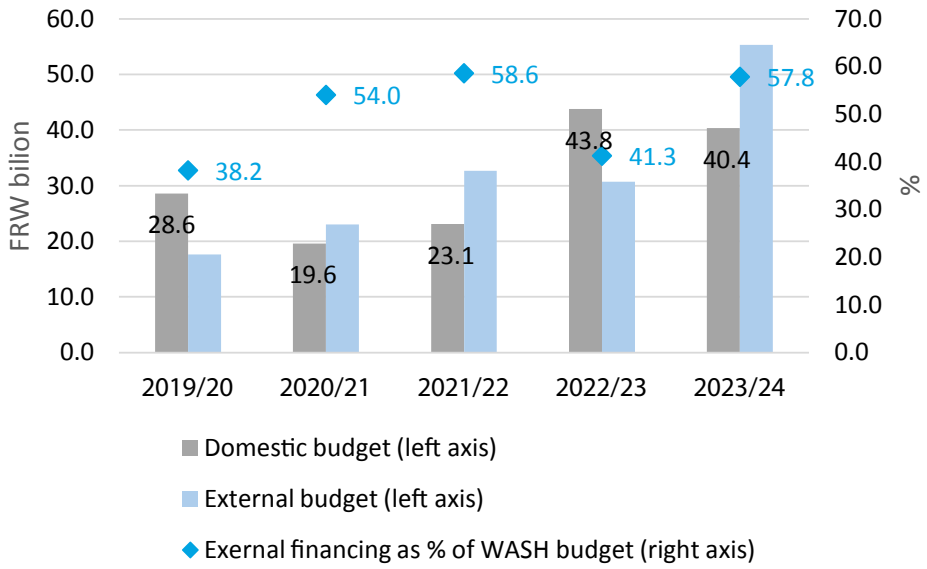

# 3. WASH Sector Financing

**External resources dominate WASH financing, while allocations from domestic sources have reduced.**

The 2023/24 domestic budget allocated to the WASH sector amounts to FRW 40.4 billion compared with FRW 43.8 billion allocated in the 2022/23 revised budget. The share of external resources for the WASH sector has risen from 41.3 per cent in 2022/23 to 57.8 per cent in 2023/24 (**Figure 3**). The increase in external resources allocated to the WASH sector is a result of an increase in resources mobilised from African Development Bank and allocated to the WASH sector to strengthen urban and rural WASH infrastructure. To accelerate access to WASH services, there is a need to increase budgetary resources from domestic sources through a combination of innovative financing, such as climate finance, and efficiency improvement.

**Figure 3: Source of Finance for Water and Sanitation**

Source: Calculated using State Finance Laws

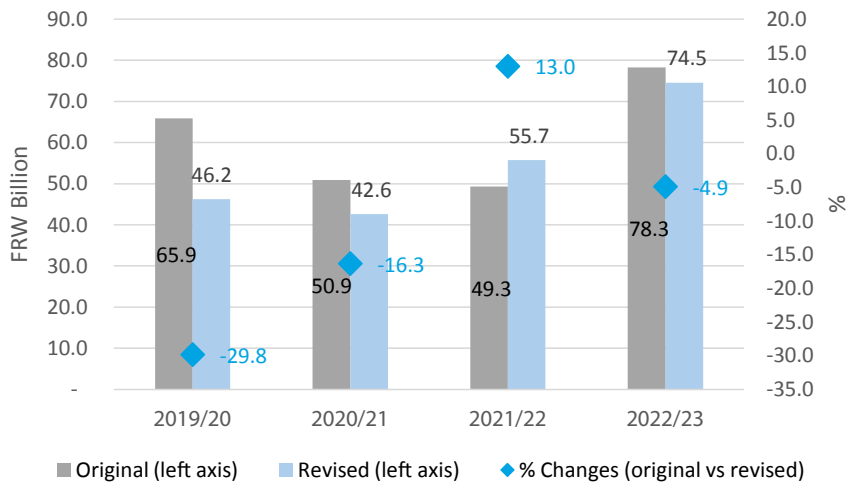



# 4. WASH Budget Changes

Though WASH sector budget allocations have been increasing over the past years, allocations were revised downward during 2019/20, 2020/21 and 2022/23. Only during 2021/22, the revision was upward by 13 per cent (Figure 4). The downward budget revision can undermine the sector's ambition to achieve universal access to safe drinking water and safe sanitation services by 2030, there is a need to establish a mechanism to protect the allocated budget to the WASH sector during budget revision.

**Figure 4: Initial Budget versus Revised WASH Budget**

Source: Calculated using State Finance Laws




# 5. Composition of WASH Budget Allocations

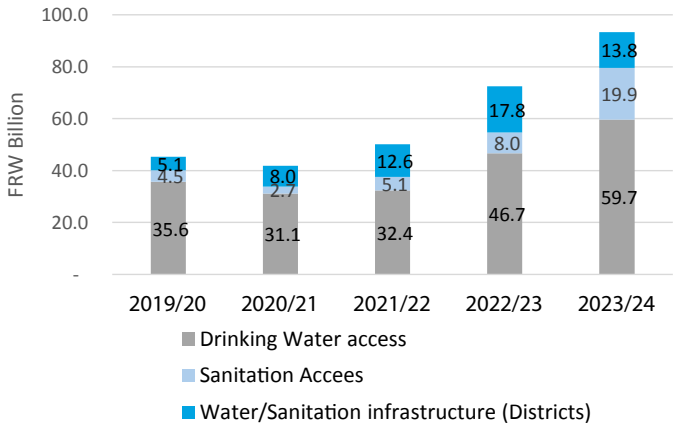
**The majority of the WASH budget is allocated to the drinking water access programme. However, in 2023/24, allocations for the sanitation access programme have significantly increased.**

Most WASH sector resources are directed towards improvements in access to drinking water. In 2023/24, FRW 59.7 billion is allocated to drinking water access, compared to FRW 46.7 billion in 2022/23. However, budget allocations to districts were reduced from FRW 17.8 billion in 2022/23 to FRW 13.8 billion in 2023/24. The budget for the Sanitation Access Programme significantly increased in 2023/24, reaching FRW 19.9 billion compared to the FRW 8.0 billion allocated in the 2022/23 revised budget (**Figure 5**).

Budget allocations towards rural water and sanitation services should increase to accelerate progress towards achieving the sanitation target of ensuring 100 per cent access to basic sanitation services by 2024 (as outlined in NST1). Also, access to basic sanitation in low-income urban areas is low due to the high percentage of people sharing latrines. Hence, there is a need to allocate funds to enhance access to sanitation in these areas.

**Figure 5: WASH Budget Allocations (FRW billion) by Key Priority Areas**

Source: Calculated using State Finance Laws



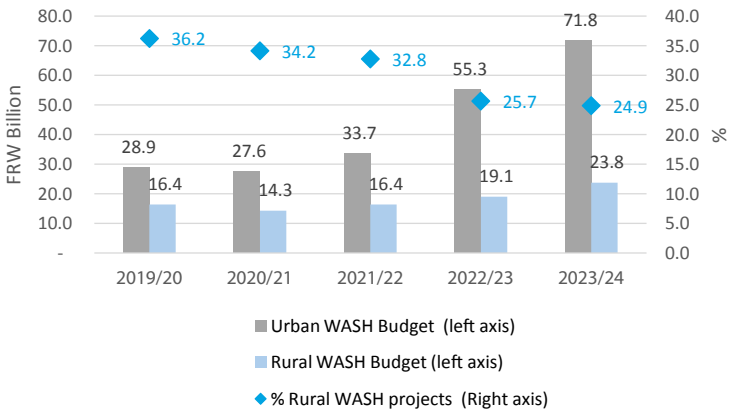

*For this analysis, the distribution of the budget by rural or urban allocations took into consideration (i) the WASAC budget allocations for rural projects, as indicated in national budget law, and (ii) the budget allocated to Districts.

**Both urban and rural WASH programmes recorded a nominal budget increase in 2023/24. However, urban areas continue to be more prioritised in the WASH sector.**

Over the past years, budget allocations for WASH have been targeted towards urban areas. Allocations for urban WASH services have increased from FRW 55.3 billion in 2022/23 to FRW 71.8 billion in 2023/24, while the budget for rural WASH interventions has nominally increased from FRW 19.1 billion in 2022/23 to FRW 23.8 billion in 2023/24 (**Figure 6**).

**Figure 6: Rural and Urban WASH Budget Trends**

Source: Calculated using State Finance Laws

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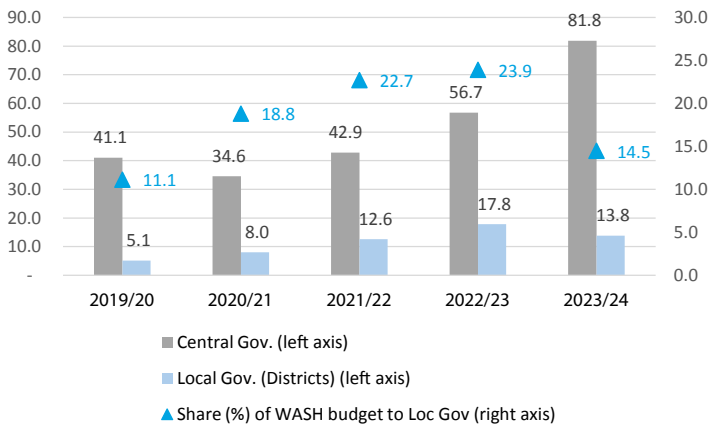
### The WASH budget, which is managed at central level, continues to rise, while the decentralised budget has been reduced in 2023/24.

In 2023/24, the WASH budget for central government amounts to FRW 81.8 billion, while the budget allocation for decentralised entities, namely districts, was reduced from 23.9 per cent in 2022/23 to 14.5 per cent in 2023/24. The current budget allocation to local governments is low given that the majority of the Rwandan population live in rural areas with low access to WASH services relative to urban area residents (**Figure 7**). To ensure equitable access to WASH services across the country, more budget needs to be allocated at district level to accelerate and expand access to safe water and sanitation services in rural areas.

**Figure 7: Decentralization of WASH Budget in FRW billions**

Source: Calculated using State Finance Laws

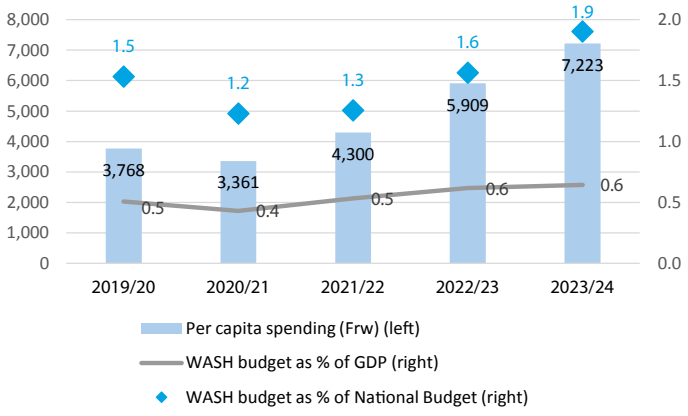



### The WASH budget has increased in per capita terms, although it remains flat as a proportion of GDP.

In nominal terms, the per capita WASH budget increased from FRW 5,909 in 2022/23 revised budget to FRW 7,223 in 2023/24. During the same period, the WASH budget increased from 1.6 per cent to 1.9 per cent, as a share of the national budget. However for the past two years, the WASH sector budget as a share of GDP remained constant (0.6 per cent) (**Figure 8**).

**Figure 8: WASH per Capita Budget and as a % of GDP**

Source: Calculated using State Finance Laws, Rwanda Population projections and GDP

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