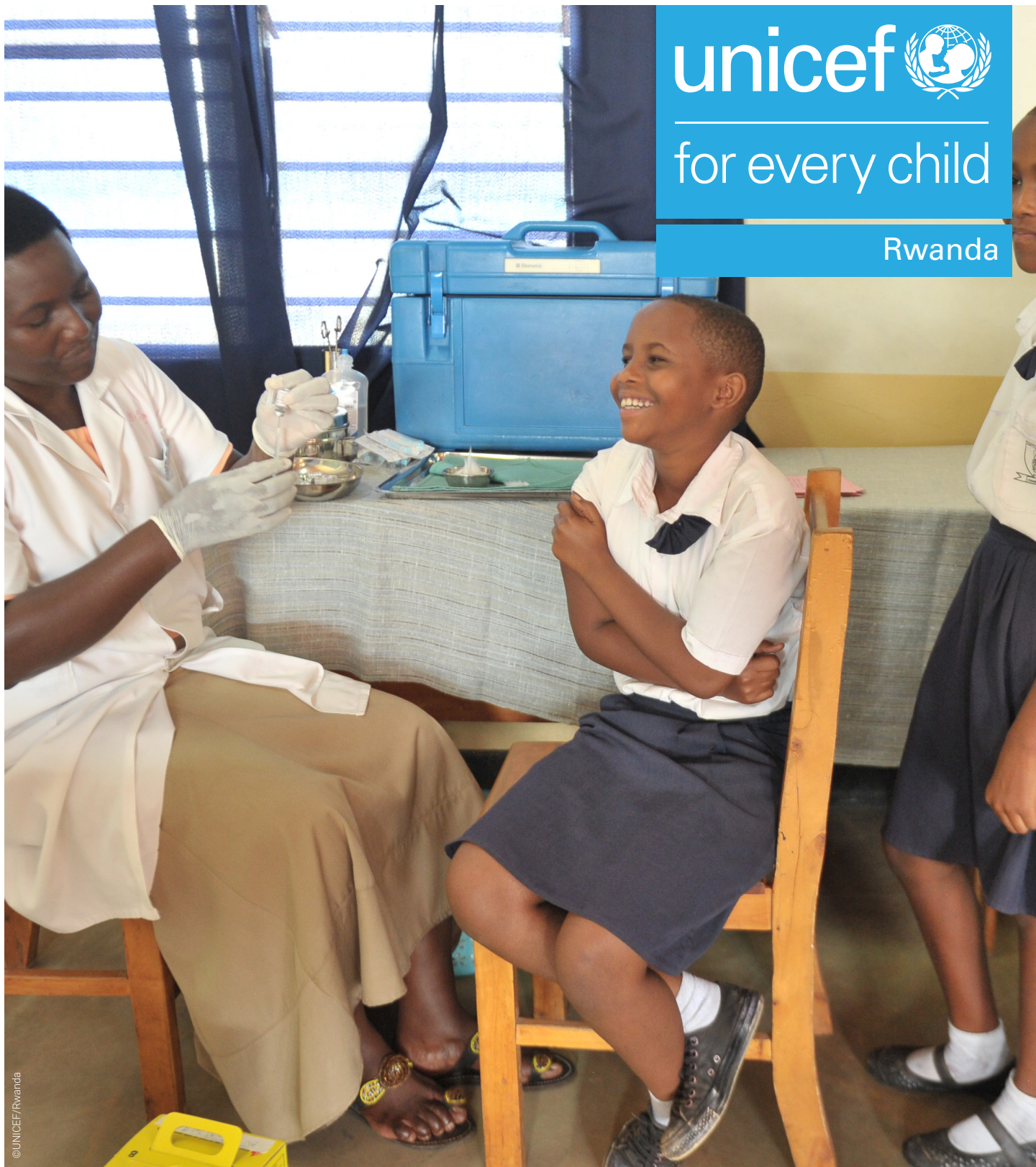


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Health Budget Brief

Investing in Health in Rwanda
2023/24

Health Budget Brief, Investing in Health in Rwanda

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December 2023

Preface

This health budget brief explores the extent to which the Government of Rwanda (GoR) addresses the health needs of children and mothers in the country. The brief analyses the size and composition of budget allocations to the health sector for the 2023/24 financial year. The aim of the budget brief is to synthesise complex budget information and offer recommendations to strengthen budgeting for children. Financial data used in this analysis are drawn from the Law n° 030/2023 of 30/06/2023 on State finances for the 2023/2024 fiscal year and the revised state finance laws for previous years. The analysis covers only allocations to the Ministry of Health (MoH), its affiliated agencies, and health programmes within districts.

Key Messages

Overall budget trend: The health sector budget reduced from 2.9 per cent in 2022/23 to 2.4 per cent in 2023/24 as a share of Gross Domestic Product (GDP), and from 7.8 to 7.2 per cent in the same timeframe as a share of the national budget. Given the sector's financing needs, there is a pressing need to increase sectoral budget allocations in the short and medium term to adequately cater for the post-COVID-19 pandemic demand, including strengthening sector capacity to withstand future pandemics.

- **Across health sector priority programmes:** Relative to 2022/23 budget allocations, the budget for the maternal and child health programme reduced by approximately 50 per cent. Similarly, the nutrition sub-programme budget was reduced by 45 per cent, while the budget allocated towards the vaccine preventable disease (VPD) sub-programme reduced by 20 per cent. The stagnation of declining maternal and child mortality rates should be treated as an emergency, and allocated additional resources to accelerate rate reduction, fast-track efforts to reduce under five stunting rates, ensure universal coverage of full vaccination among children, and promote equitable access to health services.
- **Domestic budget for health:** As a share of the total health sector budget, the domestic budget saw a slight increase from 51.1 per cent in 2022/23 to 52.8 per cent in 2023/4. However, it remains insufficient to guarantee the sustainability of sector financing. As the Government of Rwanda embarks on the next generation of Health Sector Strategies beyond 2024, there is crucial need to consider comprehensive costed plans, alongside a sustainable Health Sector Financing Strategy, to help the government achieve the 2030 Sustainable Development Goals (SDGs) and progressively reduce reliance on external financing for the health sector.



1. Introduction

The health sector is coordinated by the Ministry of Health (MoH), which has a mission of providing affordable, promotive, preventive, curative, and rehabilitative health care services to the Rwandan population.¹ The MoH is supported by the Rwanda Biomedical Centre (RBC)² and the Rwanda Food and Drug Authority (RFDA)³ for the execution of health policies and programmes.

Health services in Rwanda are provided at various levels of the health system by public, faith-based, private for-profit and non-governmental organisations⁴, with three health service provision levels:

1. *Primary health care:* Basic health promotion, prevention, care and treatment are provided by community health workers (CHWs), in health posts (HPs) and health centres (HCs)⁵.
2. *District health care:* Upon referral from HCs, district hospitals (DHs) undertake advanced diagnosis and treatment.
3. *Provincial and referral:* Upon referral from DHs, provincial hospitals provide more advanced critical care and can refer patients to referral hospitals for specialised services.

The health sector priorities are defined by: (i) the National Strategy for Transformation (NST1) for the period of 2017–2024; (ii) the fourth Health Sector Strategic Plan (HSSP4) for 2018/19 – 2023/24; and (iii) a Health Financing Strategic Plan for 2018-2024. Health sector priorities are summarised under the pillar “**Enhancing demographic dividend through ensuring access to quality health for all.**” Specifically, the following are the sector priorities (MINECOFIN, NST1: 2018 and MoH, 4th HSSP: 2018):

- Reduction of prevalence of stunting
- Improvement of maternal mortality and child health
- Construction and improvement of health infrastructure
- Strengthen health sector financing and health service delivery
- Increase quality of human resource for health
- Ensure availability and sufficient resources to financing the delivery of health services in line with the Health Sector Strategic Plan
- Strengthen disease prevention awareness, reduce Communicable/Non-Communicable Diseases
- Digitise health services to enhance data driven decisions and prioritisation of resources
- Institutionalise and scale innovations and new proven impact interventions to accelerate Universal Health Coverage (UHC)

1.1. Health Sector Performance against Selected Indicators

Table 1: Select health indicators

Source: MINECOFIN DHS 2019/20

Indicators	2019/20 status
Under five stunting rates	33 per cent
Infant mortality rate	33 deaths per 1000 live births
Under five mortality rates	45 deaths per 1000 live births
Maternal mortality ratio	203 deaths per 100,000 live births
Delivery attended by professional care provider	98.4 per cent
Total fertility rate	4.1 children per woman



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

² Text of the Law establishing the RBC in 2011 available at <www.moh.gov.rw/fileadmin/templates/HLaws/RBC_law.pdf>.

³ <https://www.rwandafda.gov.rw/home>

⁴ Ministry of Health, 'National Community Health Service Strategic Plan, July 2013–June 2018', Kigali, Rwanda, May 2013, available at: <www.moh.gov.rw/fileadmin/templates/>

⁵ CHWs monitor antenatal care, and children younger than 9 months old, malnutrition screening, provision of contraceptives, preventive and behaviour change activities. CHD_Docs/CHD-Strategic_plan.pdf>.

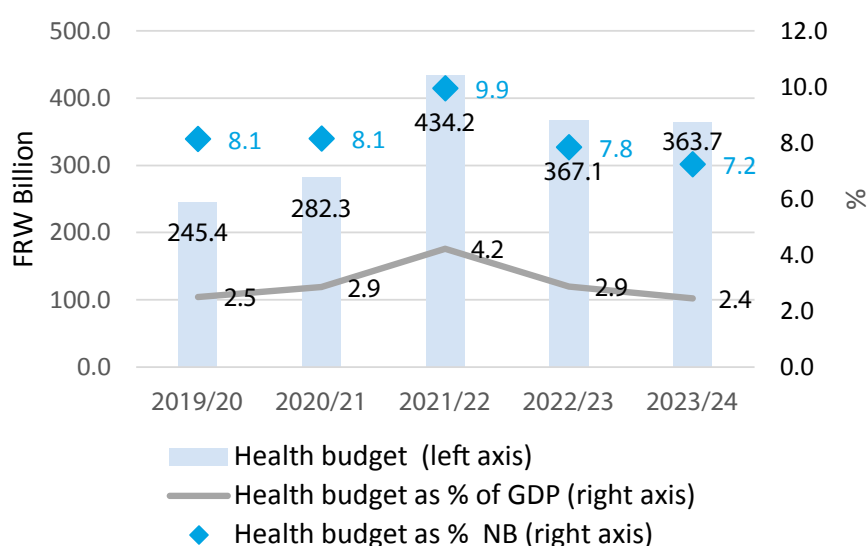
2. Trends in Government Spending in the Health Sector

In 2023/24 the fiscal year (FY), the budget allocation for the health sector slightly decreased from FRW 367.1 billion in the 2022/23 revised budget to FRW 363.7 billion. As a share of the national budget, the health sector budget reduced from 7.8 per cent in 2022/23 to 7.2 per cent in 2023/24, and from 2.9 per cent to 2.4 per cent during the same period as share of GDP (Figure 1). This marks the second year where the health sector records a budget reduction after an increase

in 2021/22, largely attributable to COVID-19. There is a need to increase allocations for the health sector and reverse this downward trend, given the criticality of the health sector in Rwanda's human capital development and regional and national commitments, such as the 2019 Addis Ababa Call to Action to increase health financing budgets.

Figure 1: Health budget in FRW billion and as a share of total budget and GDP

Source: Calculated using state finance laws and macro-framework data



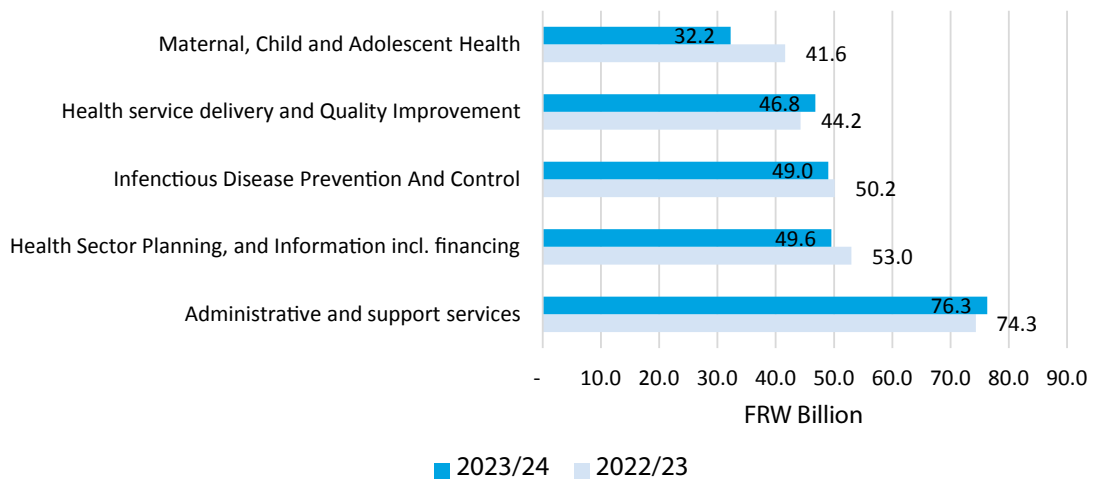
3. Composition of Health Spending

The budget analysis shows major health sector priority programmes: (i) Health Service Delivery Quality Improvement, (ii) Health Sector Planning and Information including Health Financing, (iii) Disease Prevention and Control, (iv) Administrative and Support Services (health sector

governance), and (v) Maternal, Child and Adolescent Health. The Maternal, Child and Adolescent Health programme has recorded a significant budget reduction from FRW 41.6 billion in 2022/23 to FRW 32.2 billion in 2023/24, reflecting a reduction of 40.6 per cent (**Figure 2**).

Figure 2: Budget allocation by health sector priorities in billion FRW

Source: Calculated using state finance laws

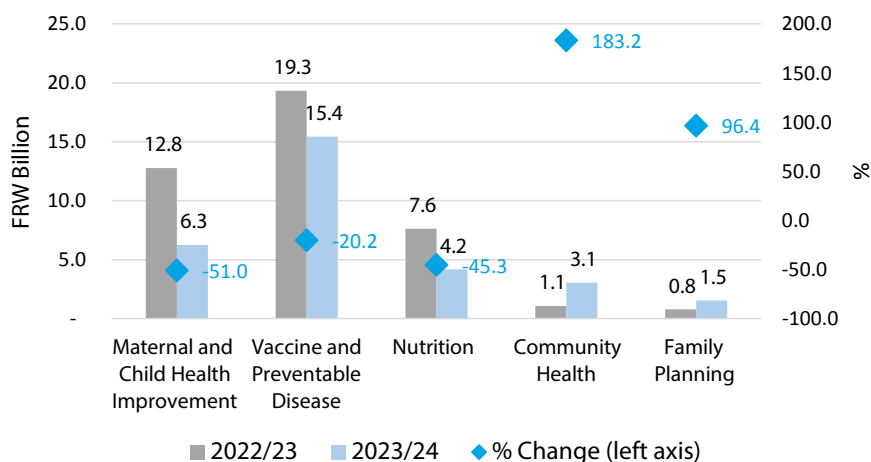


Further analysis of the maternal, child and adolescent health programme shows that three key sub-programmes recorded a significant budget reduction. The budget for the maternal and child health sub-programme was reduced by around 50 per cent, the nutrition sub-programme budget by 45 per cent, while the budget for the vaccine of preventable disease (VPD) sub-programme reduced by 20 per cent (**Figure 3**). Narrowing budget for these priority sub-programmes is particularly worrisome, as there are limited resources to accelerate the improvement of maternal, child and adolescent health. There is

a need for substantial increase of financing for this programme in the short and medium terms to match policy commitments with more budgetary resources. Community health and family planning sub-programmes saw budget increases, with the community health sub-programme receiving a budget increase of 183 per cent in 2023/24. This is an important step in the right direction in recognition of the importance of the community health system in achieving the Universal Health Coverage (UHC).

Figure 3: Budget allocation under Maternal, Child and Adolescent Health (FRW Billion)

Source: Calculated using state finance laws



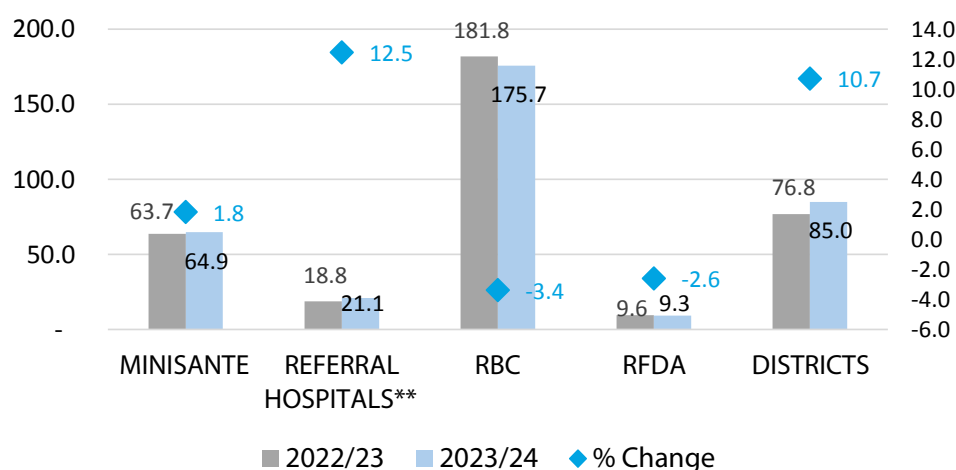
3.1. Budget Allocation by Agency

District and referral hospital budgets slightly increased, while RBC budget decreased in 2023/24. The analysis of the budget allocations by spending agencies shows that the Rwanda Biomedical Centre (RBC) is allocated the largest share of health sector resources. The budget allocation for RBC in 2023/24 amounts to FRW 175.7 billion compared to nearly FRW 182 billion allocated in 2022/23. Districts were allocated FRW 85 billion in 2023/24 compared to FRW 76.8 billion in

the previous year. The Ministry of Health (central) budget was allocated around FRW 65 billion in 2023/24, while the budget for referral hospitals (combined⁶) amounts to FRW 21 billion from approximately FRW 19 billion (Figure 4).

Figure 4: Share of health budget by spending agencies (FRW billion)

Source: Calculated using state finance laws



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⁶ **Referral Hospitals include: (i) CENTRAL UNIVERSITY HOSPITAL OF KIGALI (CHUK), (ii) CENTRAL UNIVERSITY HOSPITAL OF BUTARE (CHUB), and (iii) NEURO PSYCHIATRIC HOSPITAL OF NDERA (HNN).

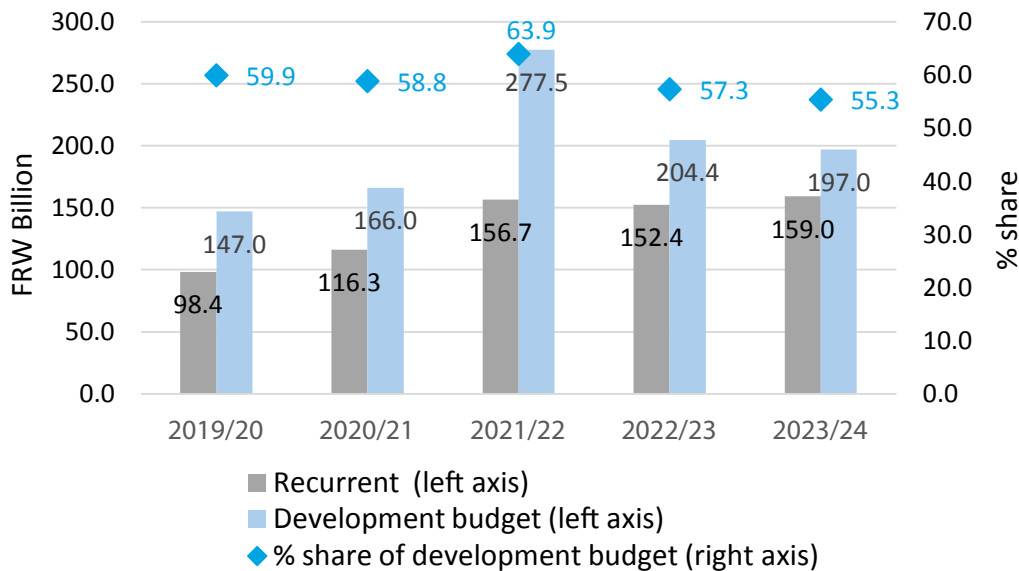
3.2. Health Budget by Recurrent and Development Categories

The development budget (allocations for health infrastructure development and other equipment) continues to be prioritised in the health sector allocations, as it accounts for around 55.0 per cent of the total health sector budget in 2023/24. Despite a decrease in nominal terms, the budget allocated to development projects amounts to FRW 197 billion in 2023/24 compared to FRW 204.4 billion allocated in 2022/23. The recurrent budget increased to FRW 159 billion in 2023/24 from FRW 152.4 billion in 2022/23 (Figure 5). The development budget has exhibited a decreasing trend over the past two

years. If this trend persists without reversal, there is a risk of impeding the ongoing progress in enhancing the quality of health services at the local level. This is particularly concerning as there remains a need to address gaps in life-saving medical equipment in rural areas, such as ambulances, and intensive care unit beds (ICUs). There is a need to mobilise additional resources for health infrastructure development to decongest referral hospitals and improve the access and quality of health services.

Figure 5: Health budget allocation by recurrent and development budget categories

Source: Calculated using state finance laws



According to the budget classification, externally financed projects are recorded under the development budget in the finance law even though these may be used partly to finance recurrent expenditure in nature.

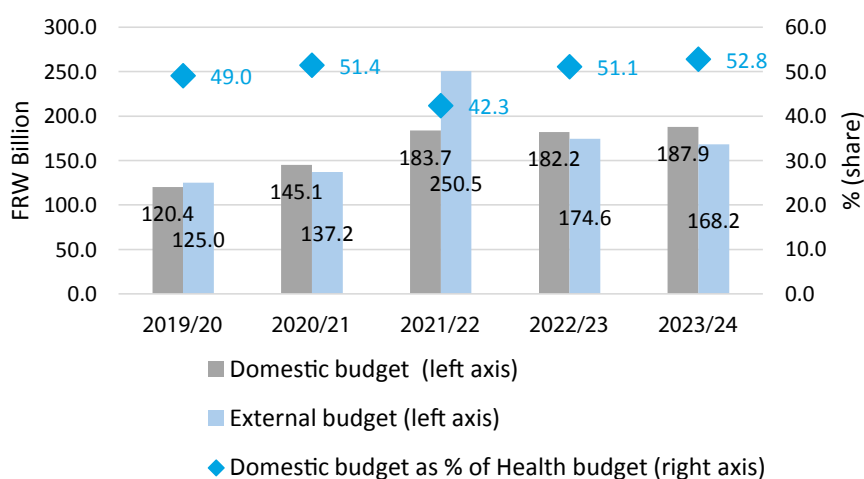
4. Financing of the Health Sector

The Health Sector in Rwanda continues to attract external financing through support from donors and external loans. However, in the post COVID-19 era, there is a decreasing trend in budget mobilised from external sources. In 2023/24, the budget from external sources amounted to FRW 168.2 billion, compared to FRW 174.6 billion in 2022/23. The domestic budget allocated to the health sector increased from FRW 182.2 billion in 2022/23 to FRW 187.9 billion in 2023/24. It's

worth noting that the domestic budget as a share of the total health sector hovered around 50 per cent for the past five years, but with a slight increase between 2022/23 and 2023/4, from 51.1 per cent to 52.8 per cent (**Figure 6**). The Global Fund, World Bank, US Government through PEPFAR, GAVI Alliance and ONE UN are the main partners financing the health sector in Rwanda through the national budget.

Figure 6: Source of financing in the health care sector

Source: Calculated using national finance laws



As the Government of Rwanda initiates the development of the next generation of the Health Sector Strategy beyond 2024, there is a need to (i) enhance funding for primary health care, where over 90 per cent of health services are delivered, (ii) formulate comprehensive costed plans, in conjunction with a sustainable Health Sector Financing Strategy. These will facilitate the government to achieve the SDGs by 2030 and gradually reduce dependence on external financing.

It is important to note that the financial and technical support offered by some donors and development partners agencies to the health sector is channelled outside of the national budget (often through NGOs and CSOs) and that off-budget support is not covered under this budget brief.



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