

A brief on Public Policy Dialogue on Investing in Children and Youth – Building Human Capital in Rwanda – 23 November 2018

- **Moderator:** EPRN
- **Venue:** Serana Hotel
- **Organizers:** EPRN in Collaboration with Save the children and UNICEF
- **Presenters:** Save the Children, UNICEF

1. Introduction

The main objective of the dialogue was to enable stakeholders from Government (central and district), Development Partners, Non-Government Organization, faith based organizations Private sector organizations, researchers and academic reflect on the investments needs for children and youth in Rwanda towards building strong society with quality human capital. The public dialogue was also an opportunity to show case the analytical works conducted in recent years around public financing for children which included budget briefs, fiscal space analysis, participatory budget planning and budgeting among others. More than 100 participants participated in the public policy dialogue from Governmental institutions, development partners, UN Agencies local and international Non-Governmental Organizations, faith based institutions, academia, media.

2. Opening remarks

- **EPRN:** EPRN has focus on children and youth and committed to build their capacity to be heard through research and networking opportunities. Key research areas of EPRN include human capital development, jobs creation and link between education sector and industry. This dialogue is in line with recurrent EPRN quarterly policy debates around emerging policy issues and topics.
- **UNICEF:** Dialogue contributes to the current World Bank of Human Capital and International Children’s Day. Reiterates commitment to Agenda 2030 (SDGs) of leaving no child behind. Applauds the increase in budget in social areas in Rwanda, specifically in Social protection, but more efforts are needed in investment for children to contribute to NST1 targets. Specific roles of different players in development processes were overemphasized:
 - **The Government of Rwanda:** medium and long-term projections and implementation of national budget should be aligned with ambitious and child-sensitive policies;
 - **Civil society organizations:** to strengthen Monitoring and protecting the rights of children;
 - **Academia:** provide sound evidence and analysis on children and the value of investing in them; and
 - **Development partners:** continue to support national development efforts.
- **Save the Children:** The Policy Dialogue is a part of other series of discussions and dialogues at central and decentralized level in Rwanda in relation to investment in children under the European Union funded project ‘accountability for children’s rights’. A strong call for partnership

with the Government of Rwanda and other stakeholders including the civil society to create impact in lives of children through increased and equitable investment in children. Including children in budgeting processes is one of the greatest ways to ensure that children issues are raised and having young people to own Government programs and to inspire transparency and accountability. Save the Children has been working with a local organization, Children's Voice Today (CVT) to achieve the same. Save the Children has capitalized sensitizing Districts officials in Rutsiro and Nyarugenge about the relevance and approaches of investing in children and will continue to do the same even in other districts.

- **European Union (EU):** Refers to celebration of International Children's Day on 20th of November, and reiterates commitment to promote and protect rights of children, under Convention on the Rights of the Child. EU Ambassador to Rwanda highlighted the collaboration and support to civil society to identify appropriate solutions for enforcing and monitoring children's rights. Child-focused CSO's are supported by EU to monitor child's rights enforcement. He further highlighted the importance of transparency of government processes to be approachable for children.

3. Presentation (1) UNICEF Eastern and Southern Africa Regional Office (ESARO): Why the need for investment in children and youth in Eastern and Southern Africa

- **Multidimensional poverty:** Rwanda best performing compared to other countries in region, but still close to 39% of children suffer from multidimensional poverty
- **Demographic growth:** Rwanda is expected to grow exponentially over next year. Rwanda children will increase from 5 million to 7 million in 2050.
 - But: Majority of population growth will take place in urban areas.
 - This shall require strategic investments in sectors that are most relevant to children to maximize the already open demographic dividend.
- **Financing for Eastern and Southern Africa Region (ESAR) and Rwanda:**
 - Sources of development financing: 4 traditional financing sources, but innovative financing sources are upcoming and cross-cutting.
 - **Trends:**
 - **Official Development Assistance is declining as source of revenue:** Rwanda from 25% in 2014/15 to 17% in 2018/19;
 - Even if the public debt level is increasing, Rwanda has **strong policy** and emerging market (according the World Bank), so borrowing to finance social areas in the next years is still possible;
 - Domestic revenue use still has potentials for **efficiency improvement** to maximize the gains from public investment allocated to children sensitive sectors;
 - Execution rate of financial resources in Rwanda ranges from 95% in Education sector to 66% in WASH sector;
 - Focus should be not only of raise more funding but on increasing budget execution.
 - UNICEF Regional office, has made projection model in education of Teacher Gap and found out that, in Rwanda, there will be financing gap of about 100,000 teachers particularly those in pre-primary, secondary and tertiary while in primary level, there will be a surplus of about 58,000 by 2030.
 - UNICEF ESAR framework for Public Financial Management focus on 3 pillars of work:

1. **Measure and monitor how much is being spent**, e.g. through budget briefs developed in Rwanda every year since 2017 on key social sectors. Also, through increasing budget transparency through the **Open Budget Index**: how much information on budgets is being produced for the public;
 2. **Maximize impact of available resources**: e.g. through efficiency and equity analyses;
 3. **Increase spending**: e.g. through financing studies, costing exercises, fiscal space analyses and investment cases.
- **Takeaways for Rwanda:**

- Strong performance record and excellent base to build on.
- Demographic dividend is open.
- Financing issues: budget transparency, social sector spending inefficiencies, institution capacity gaps, including budget planning, priority of social sector investment and decreasing investments.

4. Presentation (2) UNICEF Rwanda: Rwanda Fiscal Space and Public budget briefs for social sectors

Presentation provides more background on the development of reports handed out to participants around fiscal space for children and the budget briefs for specific social sectors and the national budget.

Fiscal Space Analysis: Priority areas have been identified as being essential for children's welfare (health, education, Social Protection, Water Sanitation and Hygiene (WASH) Sector. The fiscal space report provides many options which are available for the government to increase the budget without creating fiscal distress:

The following options have potential to increase government expenditure for priority sectors by around 55% without creating a fiscal gap

Base scenario (Business as Usual)

Alternative scenarios

- Improved VAT collection efficiency: This can provide more funding to the Government budget thus be able to finance social sectors (priority sectors for children);
- Increased priority expenditure: The Government can decide to increase the budget allocated to priority sectors, but this increase can be financed by external and domestic borrowing;
- Combines scenario one and two: The Government can allocate part of VAT collected to priority sector for children);
- Increased external financing to fund priority expenditure: Having funds from external financing which were allocated to priority expenditure;
- Reprioritization from non-priority to priority expenditure: The Government can decide to increase allocations to priority sectors, while reducing the spending in non-priority expenditure
- Higher GDP growth: If Rwandan economy grows higher to the projected growth rate, there will be positive effect on fiscal space.

Other fiscal space options: Which were not part of modelling but could generate significant resources

- Reducing external-debt service through agreements with creditors
- Increasing external-debt disbursements
- Increasing net internal borrowing flows
- Increasing expenditure efficiency at national and local levels
- Increasing local revenues
- Reducing illicit financing flows

Budget Briefs: 4 sector specific budget briefs have been developed, as well as a macro-budget brief. The briefs for the social sectors show a trend over the past years that expenditures were unevenly distributed over the past years. They were, however, nominally increasing while the total budget social sectors as share of total government budget continued to decrease and fell below internal benchmarks.

Takeaways

- Rwanda has fiscal space options to increase the budget allocated to priority sectors for children;
- The budget briefs for social sectors budgets (Education, Health, Social Protection and WASH) offer a picture of trends of Government budget allocated to priority sectors and the briefs also contain several policy recommendations for further improvements in budgeting for children in Rwanda. The full briefs are published in the following link;
- https://www.unicef.org/rwanda/events_20982.html.

Q&A

- Limited information on what is being planned by the GoR and the financial processes. Thus, suggest need for online portal which can have plans and budget and accessible by the public;
- Decreasing trend of budget execution over the past two years: The mentioned issues include but not limited to procurement planning and delayed disbursement of loans or grants (external financing).

5. Save the Children and Children's Voice Today (CVT)

2016: Save the Children, with funding from the European Union, started working on strengthening the capacity of children and child focused civil society organizations to engage in public budgeting processes from local to central level to ensure that children's sectors receive enough budget to fulfill their rights. The project supported children to raise their voices in public budgeting and to advocate for issues affecting them. At District level they formed and trained existing children's networks and linked them with District authorities to take part in budgeting and planning processes in Nyarugenge and Rutsiro. Tools were developed including production of child-friendly District budgets.

Representatives from the children's groups from Rutsiro and Nyarugenge supported by Children's Voice Today were present and show cased the impact of their participation in decision making process particularly in planning and budgeting. This was witnessed by the explanations shared by the planning director of Rutsiro district who was in the dialogue.

The district planning director shared their experiences and learnings working with children to collect their views during planning and budgeting processes. He indicated that this time, while the district is in the planning and budgeting phase, it ensures that children have a say and their ideas considered. They have started sharing budget information with children through different means including children's own developed child friendly versions of the district budgets.

6. Panel Discussion

The panel discussion has focused on:

- The role of civil society organizations in promoting participatory budgeting and planning as well as accountability (CLADHO)
- The role of think tanks and academic policy research, evidence based policy making advocacy and reforms (EPRN)

Discussants:

- Dr. Charles RURANGA, **Legal Representative**, EPRN
- Mr. Murwanashyaka Evariste, **Programme Manager**, CLADHO

Dr. Charles, emphasized the role of think tanks and academics in generating and disseminating necessary evidence for informed policy making and reform with the view of supporting government and development partners in the process of social economic transformation. EPRN is positioning itself as platform for researchers who in addition to networking potentials. EPRN organizes policy dialogue as a space for discussion of public policy issues and as framework for advocacy in addition to other formal channels. Children and youth will continue to be a priority among the policy dialogue as they make a large number of Rwandans as well as engine for growth and development.

Mr. Evariste called upon focusing on the key indicators relating to health and education of children and youth. He also referred to the multidimensionality of poverty and how children are affected. His discussion touched upon an increased fiscal space for mainly health and education that can address some of the dimensions of which children fall below. CLADHO has also reiterated its role in strengthening CSOs in social sectors programme monitoring and advocacy as well as participatory Governance.

Q&A

- The participants in the Policy dialogue, wanted to understand the primary target for the research and how the findings from different studies are disseminated. The explanation provided was about development and disseminating research briefs which contain summary and action points, and dissemination through public dialogues was also underscored; making information accessible to all through digital channels such website and social media; as well as community outreach through field visits.
- Another critical concern raised was about the gaps for engaging children in budget cycle. The discussant revealed that at District level particularly among JADF members there are still lack of appropriate methodology and approaches of engaging children and young people in decision making. To deal with it, it was noted that there is need to strengthen the children committees

and other groups of children and local leaders and parents by availing tools and techniques that could foster children engagement.

7. Policy dialogue take-ways

- The participants in the policy dialogue and different presenters agreed that:
 - Medium and long-term projections and implementation of national budget should be aligned with ambitious and child-sensitive policies to maximize the demographic dividend;
 - Reducing Multidimensional child poverty requires increased and efficient use of public investments in the sectors affecting children most;
 - While the Government of Rwanda has invested remarkable efforts in investing in children, more investments are needed to ensure that children related sectors such as education, health, social protection, child protection and WASH are well financed to allow all children to enjoy their rights.
 - Despite an already constrained fiscal space, Rwanda still has different and alternative ways to increase its fiscal space without creating fiscal gap or creating debt distress;
 - Children and young people's participation in national budgeting and planning processes remains limited. There is a need for government, in collaboration with the civil society organizations and development partners, to strengthen framework for participation and increase awareness among parents, guardian to allow space for children and young people to voice their concern and contributions to the Rwanda's development processes across the country;
 - Academic and thinks tanks should continue to engage children in the research work and ensure that disseminated findings are children /young peoples' friendly and reach to children/young across the country;
 - Policy dialogue on investment in children and young people, should be organized biannually, to monitor progress and identify bottlenecks that need attention for early interventions, thus foster leave no-one behind principle.