

**Republic of Rwanda**



**National School Feeding Programme  
Financing Strategy**



**October 2023**

## Executive Summary

Rwanda's National School Feeding Programme has expanded rapidly within very few years. Based on the National Comprehensive School Feeding Policy of 2019, the programme provides hot meals to all students in all public or government-supported pre-primary, primary and secondary schools since 2020. By 2023, the programme is expected to reach more than 4 million students. The Government has constantly increased the funding for this programme, both to keep pace with increasing student numbers, but also by increasing its share of contributions in pre-primary and primary schools, relieving parents correspondingly.

The programme is expected to yield significant benefits for students and their households, but also for local farmers and economies, and the national as a whole. Some of these benefits may only materialise in many years, when students have acquired better and longer schooling and are becoming more productive than they would have been without school feeding. Other benefits, by contrast, will be almost immediate. This is the case for local farmers, agriculture and food systems, in particular if the stable and local demand of the school feeding programme is complemented by additional supply-side support to food systems actors. Another immediate benefit of the programme is the creation of thousands of jobs throughout the entire country, be it for cooks, for food suppliers, or processors and service providers along the supply chain. Not least, an important immediate benefit includes the relief of households from the costs of the meals provided at schools – which in particular for poor households can mean a significant increase of their available income, which they then can invest into their livelihoods and resilience.

The Updated National School Feeding Strategy provides clear guidance on how all of these benefits can be materialized in a cost-efficient way. The present Financing Strategy complements the School Feeding Strategy by showing how the programme can be financed.

### **The expected costs of school feeding**

The costs of school feeding include (1) the costs of food, (2) the transport of food to schools; (3) costs of implementation (cooks; school staff using time to support the programme; fuel for cooking; utensils, utilities and deworming); (4) infrastructure investments, including maintenance and eventual replacement, for kitchens, storerooms, access to safe water and WASH installations; (5) programme management at national and district level; (6) monitoring, reporting and evaluations; and (7) capacity strengthening. All costs are extrapolated using realistic forecasts for future numbers of students and schools; and apply an average rate of inflation of 5 percent.

Total costs are expected to increase from 347 billion RWF in 2023 to 665 billion RWF in 2032 – if no efficiency gains are made. The annual cost per child will increase from 86,000 RWF (or 77.5 US\$) to 115,000 RWF (or 100 US\$).

### **The present level of contributions from national actors**

The present level of annual Government contributions to school feeding is estimated to amount to 110 billion RWF. Parental contributions are estimated to increase from 25.4 billion in 2023 to 74.9 billion in 2032.

This means that the actual present Government and parental contributions combined presently provide about 137 billion RWF to the programme. The remaining funding gap will increase from 211 billion RWF or 187 million

US\$ in 2023 to 480 billion RWF or 432 million US\$ in 2032. It should be noted that most of these increases will be due to the assumed average annual rate of inflation of 5 percent.

**Potential efficiency gains**

Efficiency gains can be made without decreasing coverage or programme quality through re-designed procurement processes, systematic use of electronic meal planning and optimization tools, a tax waiver, or increased fuel efficiency. If optimal savings are achieved, the funding gap will increase from 211 billion RWF in 2023 to only 285.3 billion RWF in 2032, i.e. almost 200 billion RWF less compared with no savings being made.

**Potential additional contributions from national actors**

The Financing Strategy explored and quantified potential additional contributions from three different national sources: the Government, parents, and the private sector.

*Additional contributions from the Government*

Based on past trends, IMF expectations and Government strategies, the Financing Strategy developed three scenarios for potential future Government contributions, using the above variables as follows:

Scenario	GDP growth (%)	Average growth of tax-to-GDP ratio (%)	Share of increased revenue that can be used for school feeding
High	12.0	0.30	6.0
Medium	11.5	0.25	5.0
Low	11.0	0.20	4.0

*Additional contributions from parents*

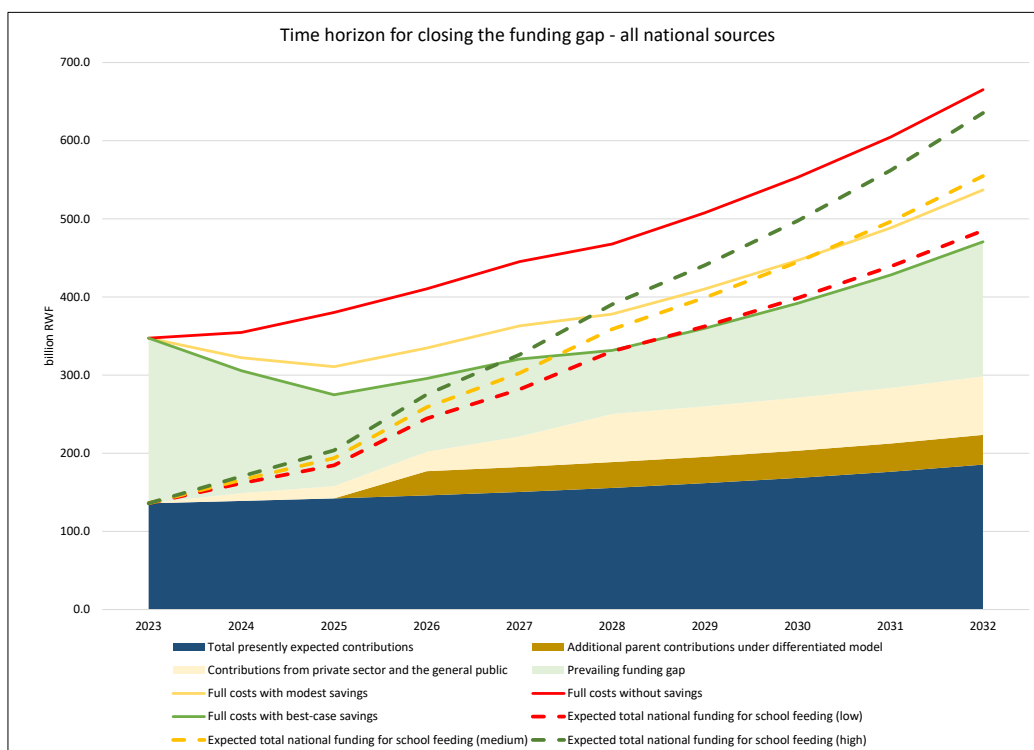
Increased parental contributions may be possible and feasible under a differentiated model described in the Financing Strategy. If a review of the implementation of the Financing Strategy – proposed for 2025 – determines that such a differentiated model can be introduced, this could generate additional 30 billion RWF as of 2026 (and thereafter increasing corresponding to growing student numbers and inflation).

*Additional contributions from the private sector*

The Financing Strategy assumes that 10 billion RWF can be mobilized in 2024, whereafter this amount should increase by 50 percent per year (plus inflation) until 2029, and thereafter remain stable (only increasing due to inflation).

*Summary*

This means that in the best case, national actors could jointly cover the funding gap by 2027 – if best-case savings are achieved, if high additional government revenues are generated, and if additional resources from parents and private sector, civil society and the general public are mobilized as foreseen. The same high scenario for additional resources would close the funding gap by 2028, if modest savings are achieved.



### Temporarily required external support

The Financing Strategy developed five scenarios, which combine different combinations of savings, and additional contributions from government and other national sources. Under the two most probable scenarios, the cumulative funding gap that has to be closed through external support would be US\$ 672 million over 8 or US\$ 588 million over 7 years – corresponding to an average annual required support of US\$ 84 million over 7 or 8 years.

The need for external support can be reduced (amounts or duration) if higher than modest savings are achieved – which should therefore be a priority.

### Recommendations

The Financing Strategy recommends the following interventions – which are fully endorsed by the present National School Feeding Strategy:

- Promoting significant efficiency gains
- Establishing a National School Feeding Fund
- Mobilizing temporary external support
- Increasing national contributions
- Inscribing measures into NSF Strategy and Operational Guidelines
- Monitoring and reviewing progress, documenting achievements, and adapting

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## Forword

< draft provided separately – to be finalized by MINEDUC and MINECOFIN and then to be inserted here >

## Acknowledgements

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## List of Abbreviations

ESSP	Education Sector Strategic Plan
GDP	Gross Domestic Product
GER	Gross Enrolment Rate
IMF	International Monetary Fund
LMIC	Low-and lower-middle income country
MINECOFIN	Ministry of Economic Development and Finance
MINEDUC	Ministry of Education
MTRS	Medium-Term Revenue Strategy
NSFP	National School Feeding Programme
NSSF	National School Feeding Fund
NST 1	First National Strategy for Transformation
PPP	Public-Private Partnership
RPPA	Rwanda Public Procurement Authority
RWF	Rwandan Franc
VAT	Value added tax
WEO	World Economic Outlook
WFP	World Food Programme

# 1. Introduction

## 1.1. Background and rationale for the Financing Strategy

The Government of Rwanda has supported the provision of foods to students in secondary boarding schools for many years. In 2014 the program expanded to secondary day schools by providing a subsidy of 56 Rwandan Francs<sup>1</sup> (RWF) per day per student.); and to pre-primary schools by providing one cup of milk. With the endorsement of the National Comprehensive School Feeding Policy in October 2019, the Government has pursued the rapid scale-up of school feeding, aiming to achieve universal coverage of all pre-primary, primary and secondary pupils in public and government- aided schools. Since 2022 the Government increased its contribution to 135 RWF per student per day. This move was based on the realization of the importance to invest in Human Capital Development in support of the objectives and goals for national development established by Vision 2020, Vision 2050, several Sustainable Development Goals as well as pillars 1 (economic development) and 2 (social development) of the first National Strategy for Transformation (NST 1).

Despite the outbreak of the COVID-19 pandemic and the related closure of schools, the Government has managed to achieve the ambitious target of universal coverage of the National School Feeding Programme (NSFP), increasing the number of supported pupils from about 600,000 in 2019 to 3.8 million in 2022.

The Financing Strategy has been deemed necessary by both the Ministry of Education (MINEDUC) and the Ministry of Finance and Economic Planning (MINECOFIN), for a number of reasons:

- The national budget for school feeding has increased significantly over the past few years. It is important for the Government to have a clear picture how the direct and associated costs of the NSFP can be expected to develop in the future, and how these can be covered to ensure the long-term sustainability of the programme.
- Budgets are presently based on an average food cost per pupil per day of 150 RWF – however, the significant global increases of food prices have meant that this average price – and thus overall budgets – need to be adjusted.
- Present budgets for school feeding only encompass the costs of food, while ignoring other costs related to school feeding. These costs, often hidden or not or only partially accounted for, should be made explicit to arrive at realistic budgets that can support the future sustainable implementation of a high-quality school feeding – which is the precondition for the achievement of the NSFP’s expected development outcomes.
- Not least, until August 2022, the share of parental contributions to food costs was set at 60 percent, i.e. 94 RWF per school day. This proved to be too high a burden, in particular for poor families. Since the beginning of school year 2022/23, following MINEDUC Guidelines on the Contribution of Parents to Pre-Primary, Primary and Secondary Education of 14 September 2022, this share has been reduced to 10 percent for children in pre-primary and primary schools. The effects of this decision for the funding of school feeding have to be incorporated in the calculation of future school feeding budgets.

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<sup>1</sup> At the time of writing this strategy, 1 RWF corresponded to 0.0009 US\$; and 1 US\$ to 1,055 RWF.

## 1.2. Approach and Process of Developing the Financing Strategy

The Financing Strategy was developed in close cooperation between MINEDUC, MINECOFIN, and the World Food Programme (WFP), which supported the elaboration of the strategy. The elaboration of the Financing Strategy was carried out in parallel with a National School Feeding Strategy led by MINEDUC, which aims at guiding the implementation of the Comprehensive School Feeding Strategy towards highest standards of quality and efficiency. The Financing Strategy and the National School Feeding Strategy are closely interrelated:

- The Financing Strategy provides a clear outlook for the future resourcing of school feeding in Rwanda, which informs the School Feeding Strategy of the possible scope, and required activities – not least with respect to achieving a high level of programme efficiency.
- The National School Feeding Strategy provides the overall framework, implementation structure and outline of required programme elements for which the Financing Strategy must aim to secure sustainable resources. In addition, the School Feeding Strategy also articulates a number of principles that concern possible contributions from different national actors, such as national and district governments, private sector, as well as parents and communities.

The scope and structure of both strategies were explored during an in-depth inception phase between January and March 2022, which entailed consultations with a wide range of Government Ministries as well as development partners. A detailed inception report documents the results of these consultations, and provides annotated outlines of both strategies as agreed on with the Government.

An intensive field mission in August 2022 allowed additional consultations, not least at district level, as well as site visits. Furthermore, during this field mission a wide range of information was collected, such as unit costs of different cost items related to school feeding; and contacts were established which during the subsequent desk work allowed rapid feedback and provision of further information.

In preparation of the drafting of the Financing Strategy, two technical background papers<sup>2</sup> were elaborated, the first one focussing on establishing the full costs of school feeding in its present form<sup>3</sup> in 2022; extrapolating these costs for the period 2023 – 2032; identifying three scenarios for potential efficiency gains; and calculating all the contributions already being made to school feeding. The second paper then explored how and by when the remaining funding gap can be covered by sustainable national sources; and to which extent and how external partners would have to be approached for temporary support. These two papers were shared with national stakeholders and partners for inputs, comments and feedback. Additional feedback was provided by Kevin Watkins of the Sustainable Financing Initiative under the global School Meals Coalition, of which Rwanda is a member.

The consolidated papers were presented and discussed during a high-level meeting between the two Ministries and their technical teams, which provided further guidance; as well as during a workshop of the school feeding Technical Working Group. Based on the guidance received during and after the mission, the present Financing Strategy was elaborated. This is a non-technical document which summarizes findings and options, highlights Government priorities, and focusses on how concretely the strategy will be implemented. For any details of underlying calculations, reference is made to the technical background paper.

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<sup>2</sup> Two papers were prepared for practical reasons – this approach allowed national stakeholders providing feedback on the first one during the time, the second paper was prepared. After the end of all consultations, these papers have been joined into one, and form the background for this Financial Strategy.

<sup>3</sup> As described in the Operational Guidelines of the NSFP of 2020

### 1.3. Structure of the Financing Strategy

The Financing Strategy falls into five sections: following this introduction, the second section briefly refers to the fundamental principles for the financing of the NSFP that have been established by the Updated National School Feeding Strategy developed in parallel to the Financing Strategy. Thereafter, the third section identifies the funding gap which will have to be closed. This is done in three steps:

- a) establishing the full costs of school feeding in the base year (2022);
- b) extrapolating these costs for the coming decade; and finally
- c) establishing present contributions, which can be subtracted from the expected costs.

The fourth section then explores how and by when the identified funding gap can be closed by

- a) establishing scenarios for potential efficiency gains;
- b) sustainable, national sources, including the Government, parents, private sector and communities; and
- c) temporary support from external partners.

Finally, the fifth section establishes an action plan summarizing concrete interventions to pursue the options prioritized by the Government.

## 2. Fundamental principles

The constant, high and increasing costs of the NSFP need to be sustained to ensure that the programme can operate at high quality and in a reliable way. This requires stable and sustainable funding sources.

The overriding priority of school feeding financing is therefore the need to establish a sustainable resource basis. This priority guides all the principles with respect to the funding of the programme and the whole comprehensive package of school health and nutrition:

**Affordability** – to ensure that neither the Government nor other contributors (e.g. parents) are expected to carry an unsustainable burden of the programme funding, at the detriment of other investment or consumption needs;

**Equitability** – to ensure that all contributors agree on the level and share of expected contributions (in particular the cost-sharing regime between the government and parents) and are ready to contribute their fair share;

**Cost-efficiency** – to reduce the budgetary burden of the programme and make it easier to cover any existing funding gap – and to make the programme more affordable;

**Accountability** – to ensure that all contributors are satisfied that programme funds are used in an efficient and transparent way;

**Effectiveness** – to ensure that the programme is implemented and managed in a high-quality manner that enables the achievement of expected programme outcomes;

**Multi-sectoriality and partnerships** – to ensure that the programme receives the support from and provides benefits to all the relevant sectors.

**Sustainability** – to ensure that resources are ultimately mobilized exclusively from national sources and independent from external partner support; this does not exclude such external support for a period of time, until full self-sufficiency is achieved.

### 3. The funding gap to be closed

#### 3.1. The Full Costs of School Feeding (2022)

The Operational Guidelines of 2020 describe in detail, how the National School Feeding Programme (NSFP) should be implemented. This leads to a number of cost items that have to be considered. In reality, not all of these costs are presently covered, and not all of the costs covered are done so explicitly. The present section seeks to make all costs visible and explicit. Section 2.4 will then establish, which of these costs are presently covered, be it explicitly or not.

The cost of food represents by far the largest, but not the only cost item. This cost of food depends on the number of children that will receive school meals on each school day, as well as on the prevailing food prices.

Given the present level and rate of expansion of the NSFP, as well as the foreseen integration of 84,000 pupils presently supported by WFP into the NSFP, the number of students to be covered by the programme in 2023 is estimated at 4,035,700. In Rwanda, the average days of school meals is 195 days in day-schools, and on 273 days in boarding schools. Finally, based on updated food prices obtained in April 2022,<sup>4</sup> the daily cost of the reference food basket established by the Operational Guidelines is estimated at 190 RWF in pre-primary, 259 RWF in primary, 301 in secondary, and 1194 RWF in secondary boarding schools. Based on these variables, the food costs of the NSFP in 2023 are estimated as 243 billion RWF, or about 219 million US\$.<sup>5</sup>

Food costs	RWF (million RWF)
Pre-Primary schools	9 967
Primary schools	147 775
Secondary schools	41 400
Boarding schools	44 021
<b>Total:</b>	<b>243 162</b>

Table 1: The cost of food in 2022 by school level

Additional cost items that need to be considered in order to enable the NSFP to be implemented with a high level of quality include the following:

**Transport of food:** Where schools buy food, they also cover the costs of transport – either as part of the food price, or by separately paying external transporters. Parents pay for the transport of food that they bring to schools.

**Implementation costs:** The daily provision of hot meals to students requires the work of cooks as well as school staff dedicating a part of their work time to ensuring quality programme implementation and adequate accounting and reporting. At present, cooks receive an average of 20,000 RWF per month for their work. This is a very low payment, and may not be sufficient to encourage and retain cooks. In line with the goal of promoting quality programme implementation, the cost calculation considers an increase of this cost to 30,000 RWF per cook per month. Additional implementation costs include fuel, cooking and eating utensils, utilities (water and electricity), and not least deworming. Deworming is not a direct cost of school feeding – however, no school feeding programme should be carried out without simultaneous deworming campaigns being implemented at regular intervals.

**Infrastructure costs:** MINEDUC has developed a standard kitchen-cum-storage construction which should be available at every schools. In addition, school kitchens have to be equipped with fuel-efficient stoves – which

<sup>4</sup> See National School Feeding Operational Guidelines, to which the Financing Strategy is applied.

<sup>5</sup> This strategy converts Rwanda Francs to US dollars at the rate of 1 : 0.0009.

eventually should be replaced by stoves using other sources of energy than wood or charcoal. Furthermore, any school should have access to safe drinking water; and provide adequate sanitation facilities. While the two latter items are not strictly school feeding costs, the absence of safe drinking water and adequate sanitation would jeopardize the health of children, as well as the intended outcomes of the NSFP. These costs are therefore included in the comprehensive costs of school feeding.

**Management costs:** These include the salaries of staff at central and district level, as well their equipment. With a view to promoting high quality programme implementation and management, this strategy includes the salary of one additional officer at each District Education Office fully dedicated to supporting the NSFP.

**Monitoring, reporting and evaluation:** Given the high level of resources dedicated to the programme, it is crucial that reliable and timely information on programme activities and results is collected, analysed and shared. While salaries of monitoring staff are covered under implementation and management, more specific monitoring costs include a tablet at 5,300 schools; vehicles at central and district level; budget for travel (daily subsistence allowance and fuel); as well as budgets for the reproduction and dissemination of reports, the organisation of events at national and district level to discuss programme performance and improvements; and a budget for an annual survey and an external evaluation every five years.

**Capacity strengthening:** As there will be turnover of implementation and management staff, continuous efforts are required to strengthen the capacity of these actors. Cost items included in the calculations include annual training cycles, the production and dissemination of guidance material, and not least a system of standing support to all actors.

All investment costs are complemented by an annual running budget for maintenance and depreciation.

As a result of these considerations and calculations, the full costs of school feeding in 2023 are estimated to amount to 334.6 billion RWF or 301 million US\$. Table 2 shows that the costs of food and infrastructure stand for 72.7 and 15.7 percent of total costs respectively.

Full costs of the NSFP (2023)	billion RWF	million US\$	%
Food costs	243.16	218.85	72.7
Transport of food to schools	4.13	3.72	1.2
Costs of providing meals at school	32.10	28.89	9.6
Infrastructure	52.58	47.33	15.7
Management	0.33	0.29	0.1
Monitoring, reporting and evaluations	1.46	1.31	0.4
Capacity strengthening	0.84	0.76	0.3
<b>Total:</b>	<b>334.61</b>	<b>301.15</b>	<b>100.0</b>

Table 2: Full costs of the NSFP (2022) by cost item

This total cost corresponds to an annual cost per student of 79.6 US\$. In 2020, the average annual cost per child of national school feeding programmes in low and lower-middle income countries was 55 US\$.<sup>6</sup> It must be noted, however, that these costs rarely include all of the cost items included in the comprehensive calculations applied here, in particular with respect to infrastructure and deworming. In addition, many of the programmes included in the calculation of this average amount do not provide menus comparable to the high-quality food basket established by the Operational Guidelines. Not least, since the publication of the State of School Feeding 2020, food prices, the main component of the costs of school feeding, have undergone a significant increase. Finally, the NSFP as it actually being implemented for the time being spends far less, as subsidies continue to be based on outdated food prices, and not all costs included in the present calculation of the high-quality programme are not covered. In this light, a total programme cost of 79.6 US\$ per child does not seem unreasonable.

<sup>6</sup> World Food Programme, State of School Feeding 2020, Rome, 2020.

### 3.2. The Costs of School Feeding 2023 – 2032 (base scenario)

For the extrapolation of the expected costs of school feeding for the coming decade, the above cost items are sorted into two groups – those that are dependent on student numbers, and those that are not.

The cost items which do depend on student numbers include food, transport, cooks, utensils, fuel, utilities, deworming, as well as the running costs of maintaining and depreciating infrastructure including stoves and water filters.

The extrapolation of future student numbers is based on a number of assumptions:

- Rwanda will continue the path of the medium-scenario for population growth of the Rwanda Population and Household Census Population Projections 2014<sup>7</sup> - the planning figures of the Education Sector Strategic Plan (ESSP) follow the same assumption.
- In addition, it is assumed<sup>8</sup> that the gross enrolment rate (GER) in pre-primary schools will reach 90% by 2028, and 100% by 2032. It is further assumed that by that time, the GER in primary schools will have decreased from presently 150% to 120 % as a result of increased pass rates leading to increased efficiency of the school system, more than off-setting increasing student numbers in higher grades due to reduced drop-out. For secondary schools, it is assumed that the GER will increase from presently 44 to 80%. Student numbers in boarding schools are assumed to remain constant.

Based on these assumptions, the total number of students covered by the NSFP is estimated to increase from 4,035,000 in 2023 to 5,787,000 in 2032.

Level	Type	Level	Type	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Nursery	Day	Nursery	Day	269 100	328 302	400 528	488 645	596 147	727 299	810 938	904 196	1 008 179	1 124 119
Primary	Day	Primary	Day	2 926 000	2 867 480	2 835 130	2 792 603	2 750 714	2 709 454	2 668 812	2 628 780	2 589 348	2 573 744
Secondary	Day	Secondary	Day	705 600	790 272	885 105	991 317	1 110 275	1 243 508	1 392 729	1 559 857	1 747 040	1 954 152
Secondary	Boarding	Secondary	Boarding	135 000	135 000	135 000	135 000	135 000	135 000	135 000	135 000	135 000	135 000
	<b>Total</b>		<b>Total</b>	<b>4 035 700</b>	<b>4 121 054</b>	<b>4 255 763</b>	<b>4 407 565</b>	<b>4 592 136</b>	<b>4 815 261</b>	<b>5 007 479</b>	<b>5 227 833</b>	<b>5 479 566</b>	<b>5 787 015</b>

Table 3: Estimated number of students by level

Cost items which are independent of student numbers include school staff, new school infrastructure, management, monitoring, reporting and evaluation; and capacity strengthening. While salaries are not automatically linked to inflation, it is assumed that these will be adjusted from time to time to maintain their purchasing power.

While the growing number of students covered will be applied only to the first group, both groups of cost items will be subjected to inflation. Based on medium-term trends before the COVID-19 pandemic as well as the economic outlook for the coming years, it is assumed that the average rate of inflation will be 5 percent per year. In addition, it is assumed that food costs on average will follow the same rate of inflation. While in 2022, food prices have increased far more rapidly than general costs of living, experience has shown that such spikes are normally compensated in other years, where food prices increase less than general inflation.

The result of these calculations is illustrated below. Total costs are estimated to increase from 347 billion RWF in 2023 to 665 RWF in 2032. Over the same period, the share of food costs will increase from 73.5 to 80.9 percent of total school feeding costs, and the annual cost per child will increase from 86,000 RWF (or 77.5 US\$)

<sup>7</sup> RPHC Population Projections 2014, table 9

<sup>8</sup> These assumptions are not included in the ESSP, but fully in line with the goal of that plan to increase access to education, and to make the education system more efficient by reducing drop-out and increasing pass and transition rates.



to 115,000 RWF (or 100 US\$). However, it must be noted that this increase of cost per child cannot be interpreted as an indication of decreasing efficiency. Quite on the contrary: the biggest driver of cost increases is inflation. If inflation is discounted, the cost per child would over the same period decrease to 72,000 RWF or 67 US\$.

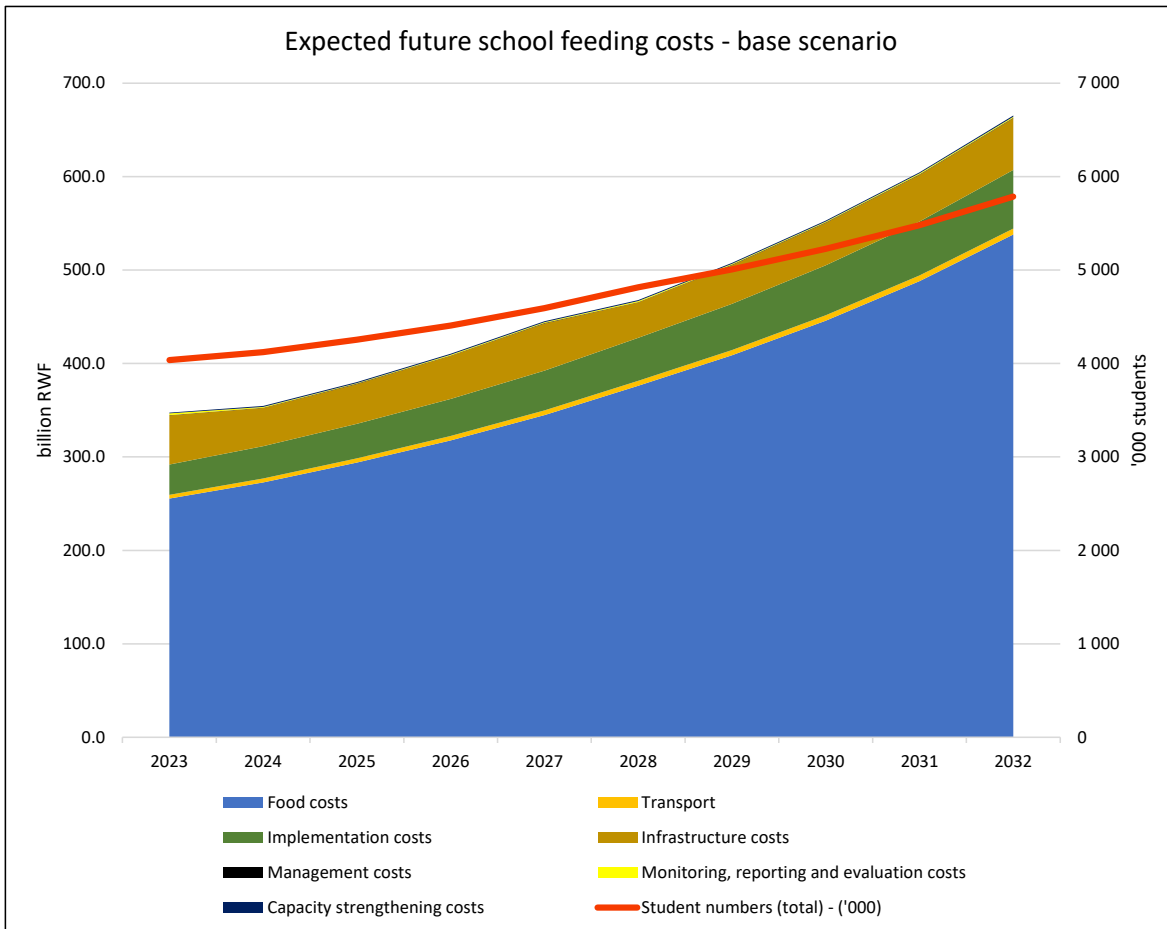


Figure 1: Expected comprehensive costs of school feeding 2023 – 2032

### 3.3. Present and expected contributions

The last step required to identify the funding gap that has to be addressed by the present Financing Strategy is the identification of contributions that are already being made under the present model, and how these would develop over the coming decade.

Since the beginning of the school year 2022/2023, the Government subsidises 90 percent of the food costs – based on the food prices of 2020 with an average cost per meal of 150 RWF. Due to this change, and considering the growing numbers of students, this subsidy corresponds to an annual budget of 86.4 billion RWF. This contribution will be extrapolated as a constant contribution for two reasons: (1) also in the past, the Government subsidy has not considered increases of food prices, but only student numbers; (2) while the Government in the past has adjusted the total level of its contribution to student numbers, this is disregarded here, as such increases would have to be funded from the future fiscal space available to the government. If such an increase was included here, it would have to be subtracted from the future fiscal space that will be identified in the following section.

Already under its present budgets, the Government provides a number of additional funding which are at present not explicitly considered as contributions to school feeding. However, to the extent that these funds cover cost items included in the calculation of the full costs of school feeding, they also have to be considered here. These cost items include the following:

- School staff to the extent that they spend their work time on ensuring the good implementation, monitoring and reporting of school feeding;
- Costs of management at central and district level (excluding the proposed additional school feeding officer at each district)
- Funds presently used for the establishment of kitchens-cum-storerooms
- A share of the funds presently provided for the maintenance of school infrastructure
- The annual budget for deworming; and
- The share of the capitation grant transferred to schools used in relation to school feeding (for utilities).

In total, the present level of annual Government contributions to school feeding is estimated to amount to 110 billion RWF.

In addition, parents are supposed to contribute 10 percent of food costs in pre-primary and primary schools, and 60 percent in secondary schools. While these costs are presently still based on 2020 food prices, they will eventually have to be adjusted to actual food prices, and thus follow inflation. Due to these considerations, the parental contribution is estimated to increase from 25.4 billion in 2023 to 74.9 billion in 2032.

This means that the actual present Government and parental contributions combined presently provide about 137 billion RWF to the programme, which corresponds to 34,000 RWF or 30.5 US\$ per student per year.

With this level of contributions and foreseen cost developments, it can be expected that the funding gap will increase from 211 billion RWF or 187 million US\$ in 2023 to 480 billion RWF or 432 million US\$ in 2032. Most of these increases will be due to the assumed average annual rate of inflation of 5 percent.

As a result of this section, the expected development of the future funding gap is illustrated as follows:

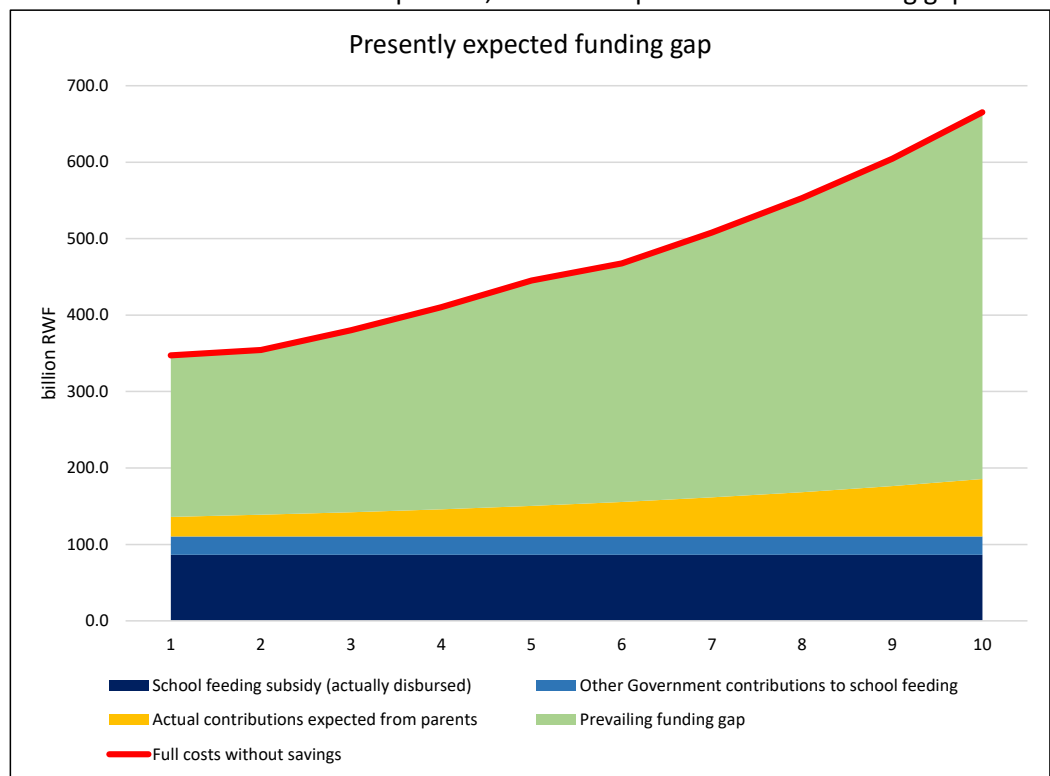


Figure 2: The expected funding gap with presently expected costs and contributions

## 4. Closing the Funding Gap

There are fundamentally two ways of closing the identified funding gap without compromising the coverage or quality of school meals: (1) by reducing the costs of the programme through efficiency gains, and (2) by channelling additional resources to the programme. The latter contributions will primarily have to be stable and sustainable national sources, which can temporarily be augmented by external partners.

### 4.1. Potential Efficiency Gains

The calculations above are based on the way of implementing school feeding described by the Operational Guidelines. However, it seems possible that school meals of the same quality can be provided to the same number of students at lower costs.

As **food costs** are by far the biggest – and growing – part of the comprehensive costs of school feeding, the greatest efficiency gains can be made by reducing these costs – of course, without compromising the quantity or quality of food used in the programme. Three potential ways have been identified to reduce food costs:

**Electronic meal planners:** Since the elaboration of the Operational Guidelines, several electronic school meal planning tools have become available. Such tools can be easily applied by national actors, and help composing diverse and nutritious food basket, sourced to the greatest possible extent from local producers – allowing either a cost reduction, or improved nutritional values of school meals without cost increases. Electronic school meal planning tools can achieve cost reductions between 5 and 15 percent.

**Procurement efficiency:** The Operational Guidelines foresee that all food procurement is carried out by each school to cover its own food requirements. Individual schools, however, do not have a great bargaining power. They are also not interesting markets for food producers or processors, as they all require a tendering process, do not pay higher prices than e.g. private customers. If food supply contracts were negotiated for several schools together (e.g. at sector or district level), schools would represent a much larger market for individual suppliers and could fetch better prices.

**Tax waiver:** At present, schools pay 18 percent VAT plus 3 percent Withholding Tax on their food purchases. If these taxes were waived for the specific purpose of food purchases for school meals, schools could share the margin with suppliers, i.e. pay better prices to suppliers and still pay less than at present.

Additional savings could be made with respect to **transport** (in particular if more efficient procurement and collective food supply contracts are negotiated); **fuel** (if recommendations for improved cooking practices are applied); and for **utilities** through systematic collection and use of rainwater for ablutions. Further potential savings are possible if the life expectancy of infrastructure is increased through optimal use and maintenance – these latter savings, however, are difficult to quantify at present.

In summary, the percentage of costs that could potentially be saved are grouped into three scenarios, as shown by the following table:

Potential efficiency gains		Percent cost reduction		
		no savings	modest savings	best-case savings
Food costs	School meals planner	0	5	8
	More efficient procurement	0	10	15
	Tax waiver	0	8	12
	<b>Total potential food cost savings</b>	<b>0</b>	<b>23</b>	<b>35</b>
<b>Transport</b>		<b>0</b>	<b>5</b>	<b>10</b>
<b>Fuel</b>		<b>0</b>	<b>20</b>	<b>30</b>
<b>Utilities</b>		<b>0</b>	<b>5</b>	<b>10</b>

Table 4: Three scenarios for potential efficiency gains

Under these three scenarios, the future development of the costs of school feeding would look as follows:

Future school feeding costs:	Total cost of school feeding (billion RWF)									
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Food costs (optimal savings)	255.3	225.0	191.1	206.5	224.1	244.6	265.7	289.8	317.3	349.7
Transport (optimal savings)	4.1	4.1	4.3	4.5	4.8	5.0	5.3	5.5	5.8	6.1
Implementation costs (optimal savings)	29.5	30.7	32.1	33.6	36.0	38.8	41.6	44.8	48.4	52.5
Infrastructure costs	52.7	41.0	42.6	46.3	50.6	37.9	41.5	45.4	49.9	55.2
Management costs	0.3	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5
Monitoring, reporting and evaluation costs	1.6	0.7	0.8	0.8	0.8	0.9	0.9	1.0	1.0	1.1
Capacity strengthening costs	0.9	0.9	0.9	1.0	1.0	1.1	1.1	1.1	1.2	1.2
Student numbers (total) - ('000)	4 036	4 121	4 256	4 408	4 592	4 815	5 007	5 228	5 480	5 787
<b>Full costs without savings</b>	<b>344.5</b>	<b>351.4</b>	<b>376.8</b>	<b>406.8</b>	<b>441.3</b>	<b>463.4</b>	<b>503.1</b>	<b>547.9</b>	<b>598.9</b>	<b>659.1</b>
<b>Full costs with modest savings</b>	<b>344.5</b>	<b>319.3</b>	<b>307.8</b>	<b>331.8</b>	<b>359.8</b>	<b>374.5</b>	<b>406.5</b>	<b>442.6</b>	<b>483.7</b>	<b>532.0</b>
<b>Full costs with best-case savings</b>	<b>344.5</b>	<b>302.8</b>	<b>272.2</b>	<b>293.1</b>	<b>317.8</b>	<b>328.6</b>	<b>356.6</b>	<b>388.2</b>	<b>424.1</b>	<b>466.3</b>

Table 5: Cost development under three scenarios for efficiency gains

As shown by Table 5, under the best-case saving scenario, the full costs of school feeding would be considerably lower than under the base scenario. Under this scenario, total costs would only increase to 466 billion RWF. The annual cost per covered student would even decrease to 80,500 RWF or 71.5 US\$, i.e. become lower than in 2023, despite an annual rate of inflation of 5 percent.

The remaining funding gap will thus develop under the three scenarios for efficiency gains as follows:

- No savings: The funding gap will increase from 211 billion RWF in 2023 to 480 billion RWF in 2032
- Modest savings: The funding gap will increase from 211 billion RWF in 2023 to 350 billion RWF in 2032
- Best-case savings: The funding gap will increase from 211 billion RWF in 2023 to 285.3 billion RWF in 2032

This cost development under the three scenarios is illustrated as follows:

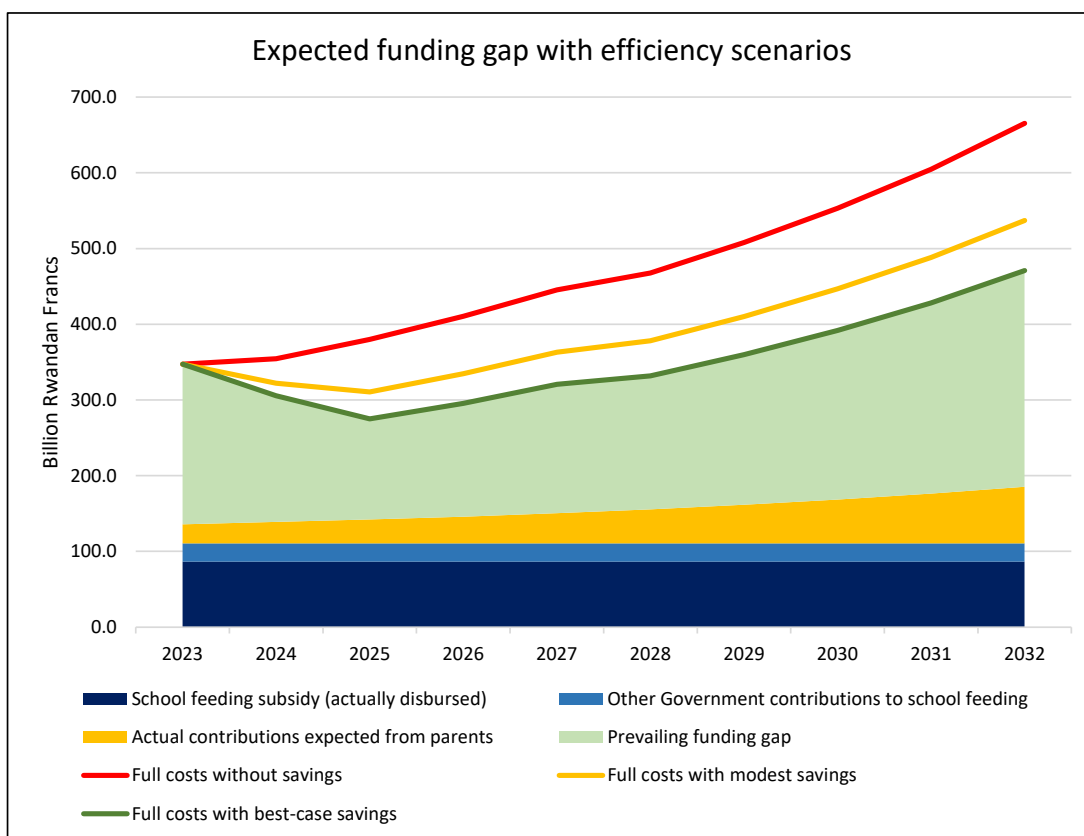


Figure 3: Funding gap under three scenarios for efficiency gains

Additional savings should be possible with respect to

- (1) the costs of depreciation of infrastructure and material, which are presently estimated to increase from 20 to 50 billion RWF between 2023 and 2032.
- (2) The cost of meal preparation, e.g. through alternative approaches using centralized kitchens for complete meals or for the pre-cooking of meals.

However, the extent of such additional savings could not yet be calculated.

## 4.2. The Potential of Additional Contributions from Stable National Sources

There are four national sources that in principle can sustainably provide resources for school feeding:

- The Government
- Parents
- Private sector and civil society
- Communities

### 4.2.1. Government

The Government does not consider re-allocating resources from other sectors to school feeding - present budgets of any sector are extremely stretched, and allocations are following a well-balanced strategy of investing into the whole of the country's development.

The ability of the Government to channel additional funds to school feeding therefore depends on its fiscal space to do so. As the Government already follows a successful strategy of increasing the efficiency in the way it uses its existing resources, the only additional way of creating the required growing fiscal space is thus for the government to increase its revenue.

The outlook for the Government's future fiscal space depends on two variables: (1) the expected economic growth of the gross domestic product (GDP, including inflation); and (2) the ratio between domestically generated revenue (DGR) and GDP.

- (1) The World Economic Outlook (WEO) data provided by the International Monetary Fund (IMF)<sup>9</sup> indicate that Rwanda is expected – after the turbulence induced by the COVID-19 pandemic and the current food price crisis – to return to a relatively stable growth path, with levels of GDP growth averaging between 11 and 12 percent, including a rather stable level of inflation of 5 percent. Three scenarios for future economic growth of 11.0, 11.5 and 12.0 percent are therefore assumed realistic.

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<sup>9</sup> <https://www.imf.org/en/Publications/WEO/weo-database/2022/October>

(2) The IMF estimates that the average low-and lower-middle income country (LMIC) has the capacity to sustain a 23 per cent tax-to-GDP ratio.<sup>10</sup> Past years have shown a consistent growth in this ratio of around 0.3 percent per year. For 2023, WEO data expect the ratio to reach 18.9 percent, i.e. still well within the limits of what the IMF estimates LMICs to be able to sustain. Rwanda’s Medium-Term Revenue Strategy (MTRS) 2021/22 to 2023/24 aims to continue this steady increase of the revenue/GDP ratio to reach 21.5% by 2025. For our estimation of future revenue, we calculate three options of 0.20, 0.25 and 0.30 percent annual increase of the tax-to-GDP ratio.

A last variable that determines the level of additional Government contributions is the share of the additional Government revenue that can be channelled to school health and nutrition.

At present, the Government dedicates about 3.25 percent of its revenue to this area. This share should not be considered too high, as the NSFP provides direct benefits to more than 35 percent of the population, with additional benefits to the households of school children, to local farmers, processors and economies, and expected reduced Government costs in the areas of education (due to increased efficiency of the education system) and health (due to improved nutrition and thus decreased morbidity). On the other hand, given the vast demands for Government investment into the national transition and development, this rate should not be increased significantly, at least not in the long run. Three scenarios were developed for the share of additional revenue to be channelled to school health and nutrition:

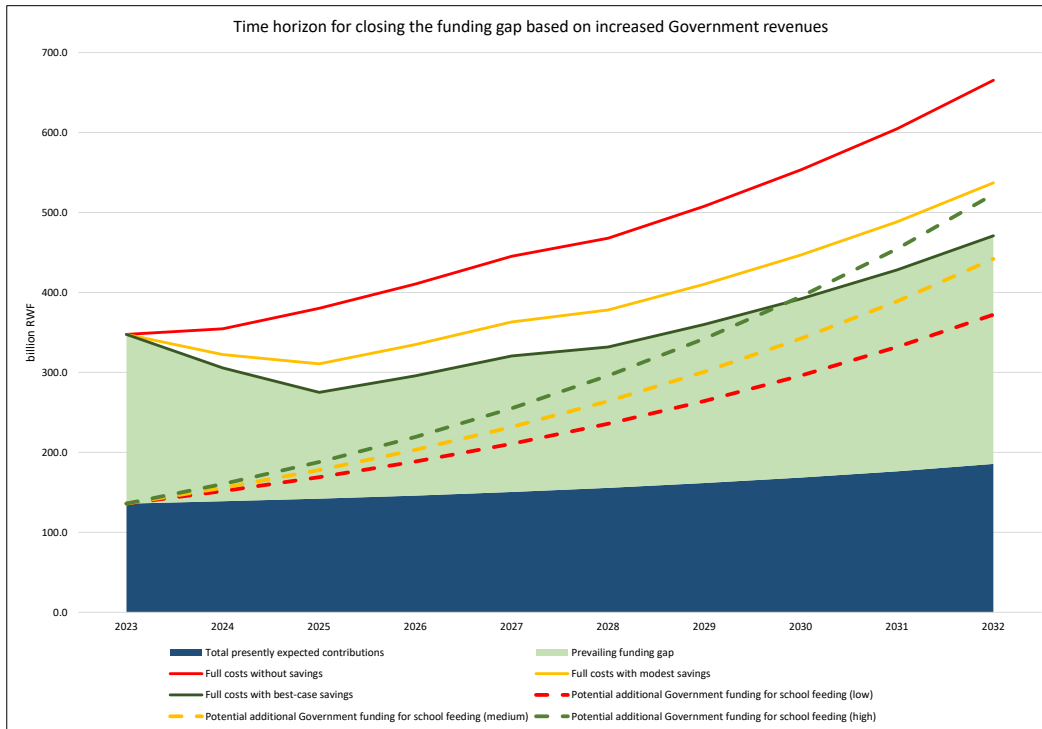
- Low: the share remains constant at 4 percent
- Medium: the share remains constant at 5 percent
- High: the share remains constant at 6 percent

Once the funding gap is closed (which will also depend on the degree of savings and on additional funding sources), these shares can be decreased. The three scenarios for each of these variables were combined into three composite scenarios, each of them combining the low, medium and high scenarios for the individual variables, as shown in the following table:

Scenario	GDP growth	Tax-to-GDP	Share of additional revenue to be channelled to school health and nutrition									
			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Low	11.00	0.20	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Medium	11.50	0.25	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
High	12.00	0.30	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0

Table 6: Three scenarios for the variables determining potential additional Government contributions

<sup>10</sup> Sustainable Finance Initiative for School Health and Nutrition: School Meals Programmes and the Education Crisis – A Financial Landscape Analysis (2022), p. 33; <https://educationcommission.org/wp-content/uploads/2022/10/School-Meals-Programmes-and-the-Education-Crisis-A-Financial-Landscape-Analysis.pdf>



Applying these variables would allow the Government to close the funding gap at the earliest in 2030 – and only if both the best-case savings and the high scenario for additional Government resources materialize.

Figure 4: Closing the funding gap with increased Government contributions

It should be noted that the increasing funds should be contributed by the national Government, by districts, and by the City of Kigali. Several taxes generate revenue directly from districts (e.g. the property tax). In addition, the implementation of the Financial and Fiscal Decentralization provides districts with greater discretion concerning the allocation of their revenues, also those transferred to them by from the national Government.

It should further be noted that not all Government contribution to school health and nutrition should be considered as contributions of the education sector: while the NSFP is and should be managed by the Ministry of Education, it is by nature a multi-sectoral intervention that is expected to generate significant benefits across sectoral boundaries. This consideration will be elaborated on further below.

## 4.2.2. Parents

The expected parental contribution in pre-primary and primary schools has been reduced to only 10 percent of the previous average food costs of 150 RWF. This effectively addresses the difficulties that many parents experienced in providing their expected contribution, and is expected to reduce the default rate of parents to zero, as the remaining contribution expected should indeed be affordable even for poor families. As the Government provides the remaining share of food costs, schools should receive more funds for the purchase of food.

However, the new model also has a number of weaknesses, of which the government is well aware:

- the level of parental contributions that can actually be expected is significantly reduced, being 14 billion RWF lower in 2023, and 27 billion lower in 2032; which means a considerable burden to public funds;
- far higher parental contributions are expected for children in secondary school, which may reduce the chances of children from poor families to succeed in the transition from primary to secondary level;
- both parental and Government subsidies continue to be based on food prices of 2020. However, the average price of the reference food basket established by the Operational Guidelines has increased from 150 RWF in 2020 to 250 RWF in 2022. This means that – even if the Government fully compensates the reduced parental contribution by increasing its own subsidies – schools will still not receive the funds they need to purchase the required quantities and quality of food.

A survey of the implementation of the NSFP carried out in 2022 showed that the default rate of parents was highest in pre-primary and in particular primary schools, where the share of children from poor households is highest. By contrast, where the share of children from poor families is low, in particular at secondary level, almost all parental contributions were actually provided. This shows that parents actually see the value of school feeding and are ready to contribute to it, if only they can. This insight could open the possibility of – eventually – introducing differentiated contributions that correspond to the *ubudehe* category – or a corresponding system of social protection register – a family is in; that also applies for secondary schools; and which is oriented at actual food prices. Such revised cost-sharing regime between Government and parents should only be considered after the newly established regime has been implemented for a number of years, and on the basis of a thorough review of the experience made.

For our calculations with respect to a closing of the funding gap through stable national sources, we estimate that as of 2026, an additional 30 billion RWF could be generated through a differentiated parental contribution, which thereafter would gradually increase corresponding to increasing student numbers and inflation.



### 4.2.3. Private sector, civil society and the general public

The private sector, civil society and the general public can contribute to closing the funding gap – either to close the funding gap more quickly and thus reduce the national dependency on external assistance, or to relief Government budgets and allow other investments in the country’s human and economic development.

Ideally, such additional resources should be generated through partnerships aiming at providing rather stable levels of resources – rather than ad hoc donations which are difficult to budget with.

For private sector actors, a public-private partnership (PPP) with a view to contributing funds to school feeding (or the wider area of school health and nutrition) can entail considerable benefits:

- The NSFP constitutes a platform to significantly boost and energise local markets, benefiting local farmers, cooperatives, food processors such as maize or rice millers, and traders, helping them to re-invest in their productivity;
- A healthier and better educated work force will enable better business, and further strengthen Rwanda’s position as a good place to do business, and to attract further foreign investment;
- Companies can engage their customers in an emotional way that goes beyond a business relationship;
- Companies can build their future clientele – as a better educated and productive workforce will require increased provision of goods and services;
- Not least, private sector support to school feeding can help contribute to a positive brand image through corporate social responsibility.

Civil society, and in particular the churches, are already supporting school feeding in Rwanda, e.g. by providing land for school gardens. Such support could be amplified if the relevant actors could partner with their members to rally more continuous support, which can materialize in the form of cash, in-kind, labour or otherwise.

The general public, including the diaspora, can be reached and mobilize to generate resources for school health and nutrition through various means, including e.g. annual fundraising campaigns, a national lottery, or digital platforms.

All of these options will be explored as a matter of urgency. At the same time, it is clear that such options will need some lead time before they are fully developed, operational platforms are in place and funds can actually start flowing.

For our calculations, we assume that these additional national sources of funds will amount to 10 billion RWF in 2024, whereafter they should increase by 50 percent per year (plus inflation); and remain stable (only increasing due to inflation) as of 2029.

### 4.2.4. Communities

Communities already provide important support to school health and nutrition, e.g. through their work in school gardens, which provide important supplements to daily school meals, and help students and farmers acquire adequate agricultural and nutritional skills. In some districts, communities also support food banks that channel in-kind food to schools; or provide other support in terms of fuel or labour for the establishment or maintenance of necessary infrastructure.

However, these contributions are very difficult to quantify into monetary terms. For this reason, while acknowledging that communities do contribute to the programme, and while promoting an even greater involvement of communities in its conception and implementation, at this point community contributions are not included in the calculations on how and by when the funding gap for school health and nutrition can be closed.

#### 4.2.5. Summary of additional contributions by national actors

The above considerations result in the following picture:

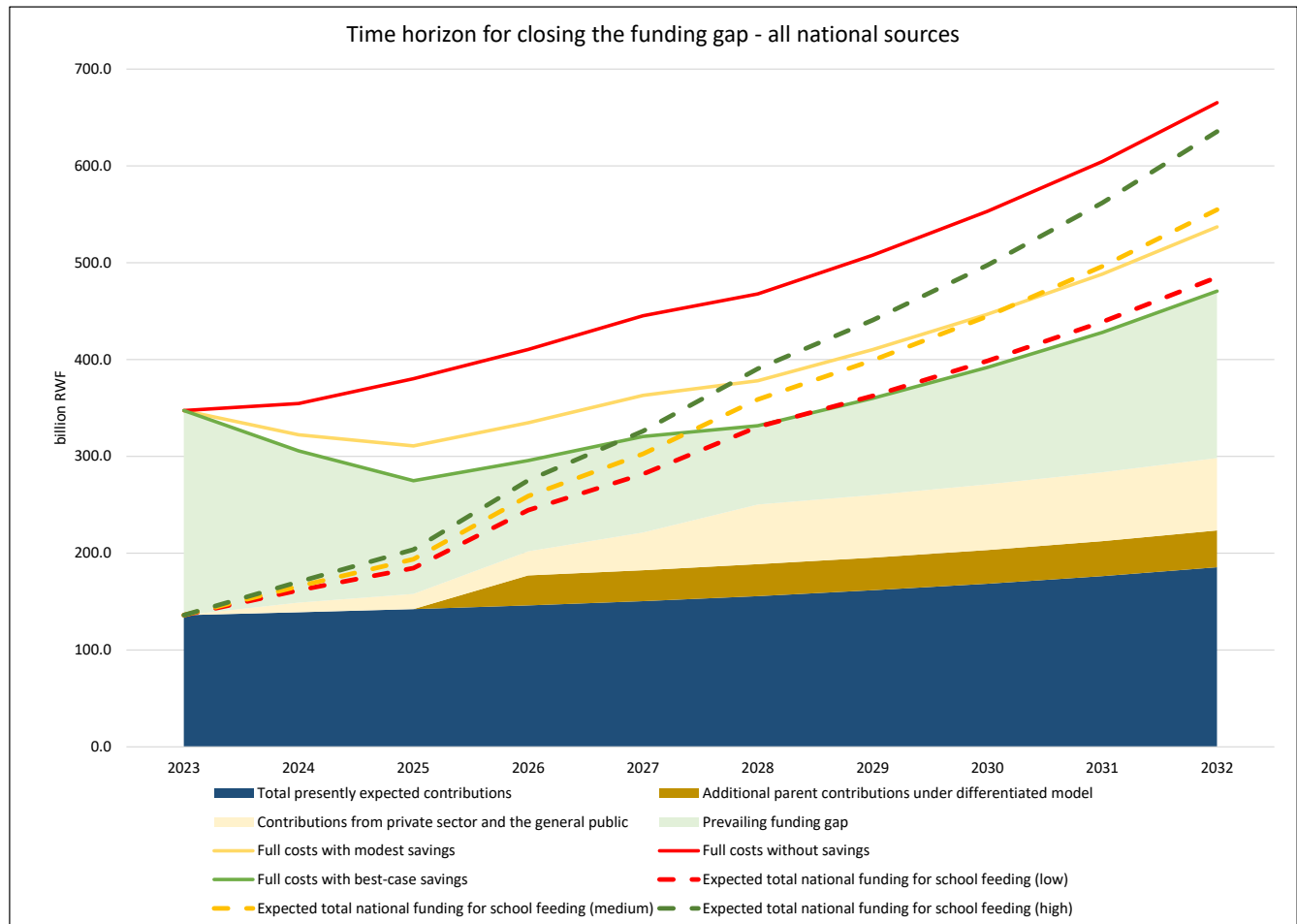


Figure 5: Closing the funding gap with increased sustainable national contributions

This means that in the best case, national actors could jointly cover the funding gap by 2027 – if best-case savings are achieved, if high additional government revenues are generated, and if additional resources from parents and private sector, civils society and the general public are mobilized as foreseen. The same high scenario for additional resources would close the funding gap by 2028, if modest savings are achieved.

As soon as the funding gap is closed, the Government should be able to reduce the share of additional revenue to be channelled to school health and nutrition to ensure sustainable cost-coverage. In the best-case scenario, this would e.g. allow a reduction of the share of additional revenue to be dedicated to the programme to 3.7 percent as of 2028.

### 4.3. The Funding Gap to be Addressed through Temporary External Support

The above calculations add the full potential additional funding from both private sector etc. and from parents to the three scenarios for potential additional Government contributions. An assessment of the temporary support that would be required from external partners requires that the different scenarios are adequately combined to provide a picture of the most probable future developments. Five such scenarios have been built for comparison (additional scenarios can be built, e.g. differentiating among several high-level scenarios):

**Worst case:** No savings, only low additional Government contributions can be channelled to school feeding

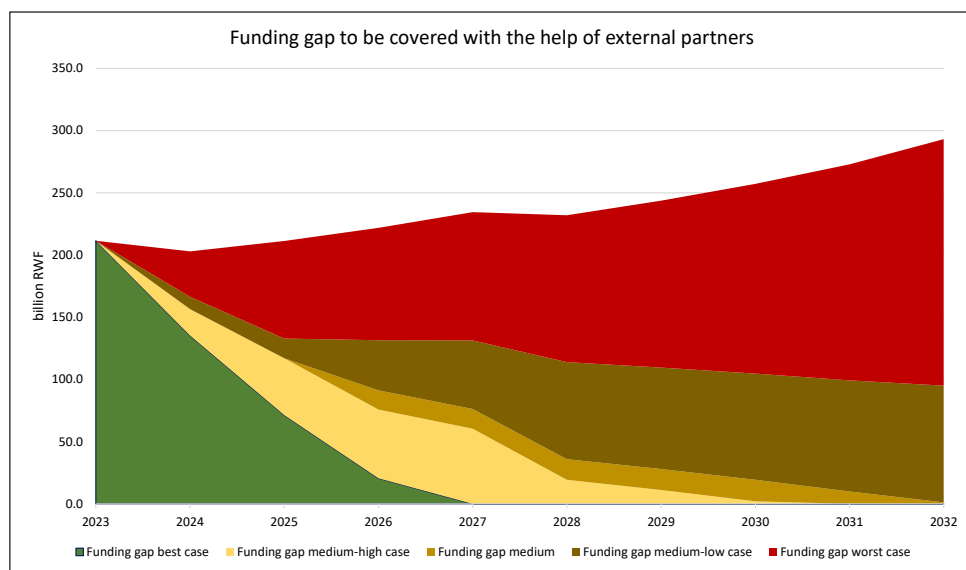
**Medium-low:** Modest savings, and a modest level of additional resources are channelled to the programme.

**Medium:** Modest savings, and a modest level of additional resources are channelled to the programme. In addition, the full level of estimated contributions from private sector, civil society and the general public, and half the potential additional parental contributions under a differentiated cost-sharing regime are mobilized.

**Medium-high:** Modest savings, Government channels a modest level of additional resources to the programme. In addition, the full level of estimated contributions from private sector, civil society and the general public, as well as from parents under a differentiated cost-sharing regime, are mobilized.

**High:** Best-case savings are materialized, and the Government channels a high level of additional resources to the programme, complemented by the full level of estimated additional contributions from private sector, civil society and the general public, as well as from parents under a differentiated cost-sharing regime.

The development of the funding gap under these five scenarios is illustrated below:



Under the worst-case scenario, the funding gap would never be closed, and the programme would have to be re-thought, e.g. pursuing a more targeted approach.

The medium-low scenario would eventually close the funding gap, but so late, that also here a rethinking of the programme approach is indicated.

Figure 6: Development of the funding gap under five scenarios

By contrast, the medium, medium-high and high scenarios would all close the funding gap with sustainable national resources within the foreseeable future, by 2027, 2030 and 2032 respectively. The medium and medium-high scenarios may be the most probable ones under the present government strategies and economic outlook. Under these two scenarios, the cumulative funding gap, that has to be closed through external support would be US\$ 672 million over 8 or US\$ 588 million over 7 years – corresponding to an average annual required support of US\$ 84 million over 7 or 8 years.

## 5. Implementation of the Financing Strategy

The National School Feeding Programme is on a good track to become one of the world’s best-quality and most efficient programme for school health and nutrition, and is expected to make a significant contribution to the country’s human capital development.

The present strategy aims to solidly base the programme on a stable, national funding base, thus rendering it fully sustainable, while at the same time promoting a series of interventions that will make it increasingly affordable.

These interventions are described here. They encompass the following:

- Promoting significant efficiency gains
- Establishing a National School Feeding Fund
- Mobilizing temporary external support
- Increasing national contributions
- Inscribing measures into NSF Strategy and Operational Guidelines
- Monitoring and reviewing progress, and adapting

### 5.1. Promoting significant efficiency gains

The best way of reducing the present funding gap is to reduce the costs of the programme without jeopardizing its coverage and quality. A number of ways for this have been identified, and will be set in motion as quickly as possible:

#### 5.1.1. Electronic meals planning

MINEDUC and its partners will explore if newly available electronic school meals planning tools can achieve cost reductions (as well as potential other advantages such as more locally produced food) in different regions of the country, and in different seasons). Depending on the results of this exploration, potential revisions of the food basket will be discussed with District Education Offices, and – based on according agreements – rolled out to schools through a well-designed communication and training package. This action should start immediately, with the aim of rolling-out optimized food baskets with the beginning of the next school year (2023/24).

#### 5.1.2. More efficient procurement

The introduction of more efficient procurement methods requires the testing of several aspects, which has to be carried out in several steps:

- Identification of the food items that are part of the (potentially revised) food basket (e.g. fortified whole rain maize meal), and which could potentially be procured in a more efficient way;
- Identification potential suppliers of such food items, and assess their capacity to supply the required quantities of food in good quality - Potentially, such suppliers would need temporary support to enhance their capacity to the required levels.
- Identification of ways in which food procurement can be carried out without interfering too much in the established way of flow of funds and financial accountability for their use;

- Identification of ways / contract forms that optimize the involvement and benefits of local farmers – e.g. through conditional or mandate contracting.
- Designing procurement and contracting forms for one or more relevant food items that are customized to optimize the benefits while minimizing the costs of food procurement, and maintaining the present high level of transparency and accountability.
- Piloting these procurement and contracting forms in several regions and with respect to several food items and suppliers, while closely monitoring and documenting progress and experience made.

The identification of food items, suppliers, their strengthening and the design of optimized procurement models is envisaged for the first half of 2023. Selected models could then be piloted as of the first term of the next school year. The review of pilots can be carried out during the second term, and the augmentation of revised procurement models can be brought to scale by the third term or the beginning of school year 2023/24.

The new procurement contracts should also aim to include the optimized transportation of food items to schools, thus reducing not only the costs of food, but also those for transport.

### 5.1.3. Tax waiver

Closely related to the optimized procurement is the introduction of a tax waiver for food procurement by schools for school meals. This waiver would concern VAT of 18 percent and the Withholding Tax of 3 percent.

The purpose of the tax waiver would be twofold:

- To reduce the costs of food purchases; and
- To create a margin within which food supply contracts would be economically advantageous for schools as well as qualified suppliers.

At present, schools buy most of the food on the open market, often from traders. Large-scale suppliers have little interest in selling to schools, as they require tender processes, presently do not pay better prices than other customers, and often delay their payments. A waiver of VAT and Withholding tax would allow such suppliers to obtain a better price from schools than from other customers, while schools would still pay a lower price than presently.

In addition, other ways of providing school meals – e.g. centralized kitchens, outsourced services – can also be piloted where these are deemed able to provide the same quality of meals and benefits for local food systems at a lower price.

The introduction of such a tax waiver requires some preparation:

- MINECOFIN has to explore how the tax waiver can be implemented within the present payment systems – can taxes be deducted right away, or would schools have to pay them initially but get them reimbursed upon documentation of the source as well as the use of the food procured; etc.
- MINECOFIN has to carry out the required preparatory work for the formalization of the tax waiver
- In parallel to the tax waiver, it should be explored how the cash flow to schools can be improved to avoid delayed payments, so that qualified suppliers indeed are interested in the structured market of the NSFP, and in entering into contracts that optimize benefits for local producers.

MINECOFIN has indicated that there is a readiness in principle to introduce the tax waiver. This means that the above-mentioned preparatory work can start immediately. In addition, legislators should be well-informed of

and involved in the process. It is hoped that the tax waiver can be formally introduced at the latest for the beginning of the school year 2023/24.

#### 5.1.4. Phasing in required investments, and delaying depreciation

The funding gap is greatest in 2023, and it will be difficult to close it in that year, given the short time available. For this reason, it can be necessary to delay some of the investments proposed - in advantage of securing adequate procurement of food to continuously provide good meals. As most infrastructure investments have already been made, and the remaining infrastructure is simply necessary, the investments that could be delayed (even though it may delay the high-quality implementation and monitoring of the programme) concern

- The recruitment of accountants for all schools that do not already have one (costing 8.65 billion RWF)
- the purchase of vehicles for monitoring (saving 0.6 billion RWF)
- the recruitment of an additional officer at each district fully dedicated to support the NSFP (saving 0.19 billion RWF); and
- the increase of cooks’ salaries (saving 1.25 billion RWF).

As can be seen, the total costs that can be pushed to e.g. 2024 amounts to about 10 billion RWF.

More significantly, the cost of depreciation could be delayed, meaning that instead of saving up for later replacement of infrastructure and other items, replacement costs would simply be addressed when they arise. This is less safe and sustainable, but can be a feasible way of taking the top of the high funding gap towards the beginning of the strategy. The total costs for depreciation included in the full costs of the programme amount to 21.90 per year. It has to be noted that ultimately, these costs must be borne by the programme – but the mobilization of resources for this can be delayed in order to better distribute the cost profile of the programme and the funding gap over time.

<b>Annual costs of depreciation</b>	<b>billion RWF</b>
Kitchen-cum-storerooms	1.30
Stoves	6.80
Water filters	3.37
Toilets and handwashing	10.38
Vehicles	0.05
<b>Total:</b>	<b>21.90</b>

Table 7: Annual depreciation included in the full costs of the programme

As these measures do not require any preparation, they can be implemented immediately.

#### 5.1.5. Improved maintenance of investments

Related to the previous point, the costs of depreciation can in fact be reduced if the life expectancy of infrastructure and equipment is increased – which requires adequate use of these items, and good maintenance from the very outset.

MINEDUC will work with the relevant authorities at national and district level to identify ways of how good use and maintenance will be able to achieve this. On this basis, MINEDUC and the relevant authorities, potentially supported by partners, will develop good guidance for users. In addition, district education offices will include

the inspection of infrastructure and guidance for improvements into standing tasks for inspection; and will establish systems of supporting school managers with advice, guidance and practical support.

National measures should be carried out during 2023, and district education offices will implement subsequent measures during 2024, ideally with the help of an additional dedicated school feeding officer.

## 5.2. Establishing a National School Feeding Fund

The Government will establish a National School Feeding Fund (NSFF) into which all contributions to the NSFP would flow, and from which all of its costs would be covered. This will address a number of critical aspects:

1. At present, the implementation is supported by both explicit contributions from the Government and from parents and by contributions towards complementary activities from different actors and sectors. The NSFF will be instrumental in making all costs and all contributions explicit and visible to arrive at realistic budgets, to ensure high quality of programme implementation, and to adequately recognize all the contributions being made.
2. Furthermore, the Government school feeding budget – both the food as well as associated costs - is currently managed as part of the national budget for education. However, school feeding is not solely an education intervention, but is multi-sectoral by nature. Considering the budget for the NSFP under only one sector is thus not in line with best practice, as it establishes a false conflict between school feeding and the budget available for the core mandate of that sector (in case of education, the recruitment, training and remuneration of teachers; school infrastructure; curricula; school materials; examinations, etc.). The NSFF would avoid this challenge.
3. The present Financing Strategy foresees that the NSFP will face a funding gap for a number of years. The NSFF will provide a mechanism for the management of additional funding from both external partners or relevant national actors, such as private sector companies, crowd-funding platforms, etc.
4. The disbursement of funds from the NSFF could reduce cash-flow bottlenecks and enhance the ability of schools to settle their bills in time. At the same time, other actors such as the Rwanda Biomedical Center responsible for deworming could avoid cumbersome annual fundraising efforts.
5. Being managed under the national Public Finance Management rules and systems, the NSFF will be able to assure any donor or contributor of the full transparency and accountability on the use of funds.
6. The NSFF management and MINEDUC would prepare regular (at least annual) reports on the performance of the programme and key achievements, so that each stakeholder can obtain evidence of the impact that the combined contributions have generated.
7. Not least, the sharing, presentation and discussion of such annual reports, as well as other partnerships between the fund and its partners would engage NSFP stakeholders with respect to child nutrition and student welfare, and allow them ownership of the programme and its achievements.

Besides its technical preparation and political approval, the functioning of the fund will also require the establishment of an adequate governance structure, identification and engagement of the stakeholders to participate in its functioning, as well as practical implementation steps.

First steps for the establishment of the NSFF are already under way. It is expected that the fund can be functional for the beginning of the next school year (2023/24).

### 5.3. Mobilizing temporary external support

As has been shown above, external support will be required during the initial years of implementation of the present strategy – averaging about US\$ 78 million over seven to eight years, by which time the programme should be fully sustained by national sources.

Some donors are already in advanced negotiations with the Government concerning their potential support to school feeding. However, ideally, the support of development partners should be sought in harmonized and well-aligned way, ideally joining a group of bilateral and multilateral partners around the implementation of the present strategy and with the aim to mobilize stable external support, where large fluctuations of the availability of external funding are avoided as contributions by multiple partners can complement each other.

As the funding gap is largest at the beginning of the strategy – before efficiency gains can be fully materialized – the Government will commence dialogue with relevant partners as soon as possible. Ideally, a partner champion will be identified who could promote the mobilization of consolidated partner support (e.g. by convening a donor round table, organizing a pledging conference, etc.).

The Government will also seek the support of the Sustainable Financing Initiative of the Education Commission – one of the initiatives established under the global School Meals Coalition of which Rwanda (and presently 89 other countries and 101 organizations) are members. Such support would be mainly of technical and political nature, providing evidence and credibility to the Government’s efforts of mobilizing partner support.

### 5.4. Increasing national contributions

The Government will seek to mobilize additional national contributions, in particular from the private sector and the general public. Concrete activities foreseen – as of the beginning of 2024 – include the following:

- Explore concrete opportunities and prerequisites for public-private partnerships with a range of relevant private sector actors such as banks, telecommunication companies, supermarket chains, etc. In addition to resource mobilization, such partnerships can also include e.g. technical support (saving schemes, communication, food management, etc.). Ideally, such actors could organize their own fundraising campaigns with all or a segment of their customers. Any contributions raised should be channelled to the NSFF. This work can start immediately, and would hopefully result in concrete agreements during 2024, with funds starting to be mobilize as of 2025.
- Explore similar opportunities with civil society and faith-based organisations.
- Explore the potential of and prerequisites for establishing an online crowd-funding platform mainly aiming at the Rwandan diaspora. Several models available from UN agencies and international civil society can be compared as a basis for designing a platform optimized for the Rwandan context and purpose. This work, too, can start early in 2024, aiming to mobilize resources as of 2024.
- Consider the option of organizing a national lottery or annual national campaigns as a source of funding for human capital or social protection investments. Political and technical prerequisites have to be identified and considered – and once a decision has been taken, the required systems would have to be established. This work will require more exploration and technical preparation, and could become operational as of 2026.

As mentioned earlier, the new cost-sharing regime between the Government and parents has only just been established, and will be allowed to function for a number of years. The adjustment of the base price per meal may have to be considered, however, to arrive at contributions that correspond to increased food prices. After



a number of years, and based on a thorough review, the possibility to introduce parental contributions that are differentiated by their financial capacity can be considered.

## 5.5. Inscribing measures into NSF Strategy and Operational Guidelines

A comprehensive National School Feeding Strategy is being elaborated in parallel to the present Financing Strategy. The NSF-Strategy will inscribe the required guidance, criteria and processes as a basis for the above interventions, among others. Specific issues to be addressed include, among others,

- nutritional and other criteria, as well as processes for reviewing and adapting food baskets;
- the possibility of identifying and applying more efficient procurement models;
- the flow of information and funds;
- the shift from biomass to clean cooking – for this, a specific Financing Strategy will have to be developed in the first part of 2024;
- the collection, provision, analysis and presentation of relevant monitoring information; and
- the regular adjustment of NSFP budgets to actual price developments

This strategy will be finalized in the last quarter of 2023.

Based on the exploratory work described above, as well as a number of pilots to be carried out, the specific instructions to NSFP implementation actors and management established by the Operational Guidelines will have to be revised – this work is envisaged to take place during the first quarter of 2024.

## 5.6. Monitoring and reviewing progress, and adapting

The implementation of the present strategy has to be closely monitored, MINEDUC will prepare quarterly reports during the first three years of implementation on the progress being made.

Decisions on some issues depend on developments with respect to others - in particular, a potential reduction of the share of additional Government revenues that has to be channelled to school health and nutrition depends on (1) the extent to which savings can be achieved; (2) the level of resources that can be mobilized from non-government national actors; and (3) the level of resources that will be provided by external partners.

In addition, the experience with parental contributions being made under the new regime, the ability and readiness of (some groups of) parents to increase their contributions, and not least the technical feasibility of introducing a cost-sharing regime that disaggregates the contributions expected from parents according to their financial capacity, will have to be assessed.

For this reason, a comprehensive review of the implementation of this strategy, as well as decisions on its potential amendment, is foreseen for 2026.

The implementation of this strategy will be led by MINECOFIN and MINEDUC, and will also involve the School Feeding Steering Committee and the governance structure of the NSFF, once in place. A timetable for the implementation of the Financing Strategy, including institutional responsibilities, is proposed below.

**Rwanda National School Feeding Financing Strategy**

**Implementation Plan**

Action	Responsible	Participating	2024				2025				2026				2027				2028			
			1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Validation / Approval of Financing Strategy and NSF Strategy	MINECOFIN	MINEDUC	█																			
Explore electronic meals planning	MINEDUC	WFP	█																			
Role out to regions, districts and schools	MINEDUC	DEO, WFP		█			█	█														
Preparatory work for procurement models	MINEDUC	RPPA, WFP	█	█																		
Design procurement models	MINEDUC	RPPA, WFP			█																	
Implement procurement pilots	MINEDUC	RPPA, WFP				█																
Review, amendment and roll-out of procurement models	MINEDUC	DEO, WFP					█	█	█	█												
Tax waiver preparatory work and consultations	MINECOFIN	PMO, Parliament	█	█																		
Tax waiver approval and implementation	PMO/Parliam	MINECOFIN			█																	
Redrawing budget with delayed investments and depreciation	MINEDUC	WFP			█																	
Prepare guides and tools for improved maintenance	MINEDUC	MININFRA, WFP			█																	
Implementation of maintenance support structures and measu	DEOs	MININFRA, WFP					█	█	█	█												
Clarify governance and functioning of NSSF	MINECOFIN	MINEDUC	█																			
Establish NSSF to full functionality	MINECOFIN	NSFF Governance		█	█																	
Seek partner champion for external support	MINECOFIN	World Bank?																				
Organize development partner round table	MINECOFIN	Development Partners, SFI																				
Develop a Financing Strrategy for the shift to clean cooking	MINEDUC	Development Partners	█	█	█	█																
Channel addition external support to NSSF	MINECOFIN	NSFF Governance					█	█	█	█												
Explore and develop public-private partnerships	MINEDUC	MINECOFIN	█	█	█	█																
Explore and develop partnerships with civil society / FBOs	MINEDUC	MINECOFIN	█	█	█	█																
Explore and develop potential crowd-funding platforms	MINECOFIN	MINEDUC	█	█	█	█																
Explore potential of national lottery or annual campaigns	MINECOFIN	MINEDUC					█	█	█	█												
Channel addition national actor funding to NSSF	MINECOFIN	NSFF Governance					█	█	█	█												
Continuous monitoring of progress	MINEDUC	NSFF Governance, DEO																				
In-depth review of experience	MINEDUC	MINEDUC, Partners													█	█						
Potential amendment of strategy, adjustment of rates	MINECOFIN	MINEDUC															█	█				
Potential introduction of disaggrated parental contributions	MINEDUC																		█	█	█	█