

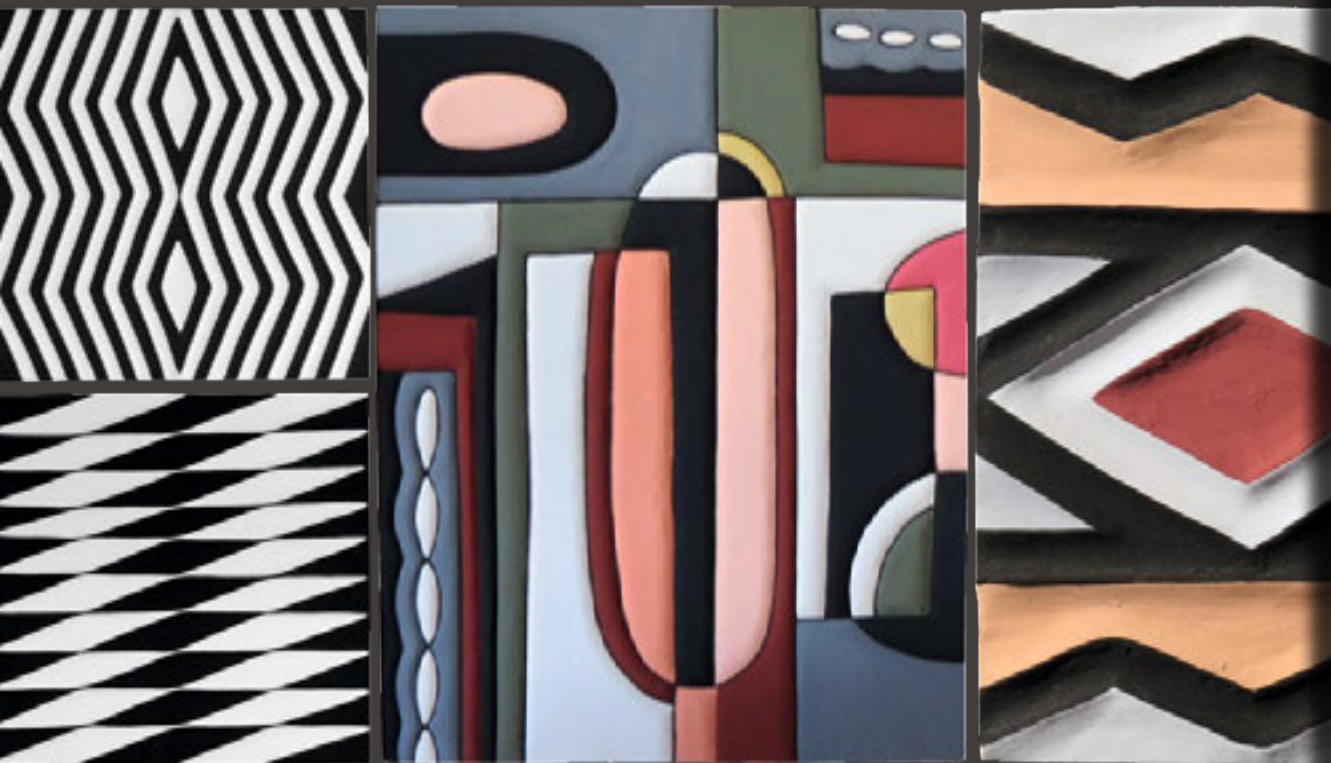


Getting Closer to the People

Decentralisation in Rwanda

giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH


**german
cooperation**
DEUTSCHE ZUSAMMENARBEIT



Explanatory Note on the Book's Design Concept

The graphic design of this book is based on the indigenous Rwandan art form called *Imigongo*.

Imigongo, featuring spiral and geometric designs, was originally used to decorate the interior walls of huts. The paintings are created using cow-dung, which is applied to wooden boards forming the relief and structure of the chosen image. The ridges and grooves of spiral and geometric designs are painted with contrasting neutral colours, traditionally in black, white, and burgundy red. *Imigongo* pieces are customarily created by women, nowadays often organised in art cooperatives.

They geometric concepts of *Imigongo* have been adapted to this book in order to enhance its design. One geometric pattern seen in this publication is composed of several slender lines using tones from Rwanda's cultural colour palette.

The design and elements of *Imigongo* art in this book not only create a further link to Rwanda, but also illustrate the expression of individuality and talents of the country's inhabitants. The Rwandan people are an integral part and the common denominator of the decentralisation process, which is centred on participation, organisation, and responsibilities.

In the modified *Imigongo* design developed for this book, we use the symbolic imagery that one line refers to one person. The lines are delicate, at first appearing to be fragile or insignificant, yet as more lines are combined together an intricate pattern is created. This pattern reveals a new big picture, representing an interwoven group of people.

The lines of this complex big picture characterise the individuals, groups, and organisations that are all active partners of decentralisation processes. Only by this effective collaboration and organisation of all partners common objectives and sustainable impact can be achieved.

Getting Closer to the People

Decentralisation in Rwanda

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good governance in Rwanda.*

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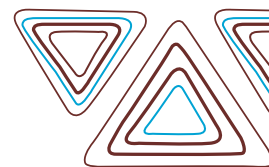
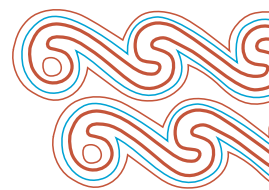
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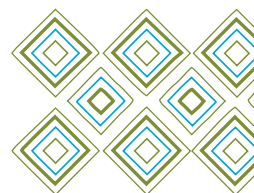
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Republic
of Congo*

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West

South





Uganda

North

East

Tanzania

Kigali

Burundi

Abbreviations

Abbreviation	Explanation
ALAC	Advocacy and Legal Advice Center
BMZ	Federal German Ministry for Economic Cooperation and Development
CBO	Community Based Organisation
CEO	Chief Executive Officer
CESTRAR	Central Trade Union of Workers of Rwanda
CLADHO	Collective of Leagues and Associations for the Defence of Human Rights
CRC	Citizen Report Card
CSO	Civil Society Organisation
DDP	District Development Plan
DED	Deutscher Entwicklungsdienst (German Development Service)
DIP	Decentralisation Implementation Plan
EDPRS	Economic Development and Poverty Reduction Strategy
ESSP	Education Sector Strategic Plan
EU	European Union
EUR	Euro
FDSC	Fiscal Decentralisation Steering Committee
GDP	Gross Domestic Product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GMO	Gender Monitoring Office
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
HIV	Human Immunodeficiency Virus
ICT	Information and Communications Technology
ID	Identification Document
IMF	International Monetary Fund
IPAR	Institute of Policy Analysis and Research
IPC	<i>Initiative pour la Participation Citoyenne</i> (Initiative for Citizen Participation)
JADF	Joint Action Development Forum
KfW	<i>Kreditanstalt für Wiederaufbau</i> (German Development Bank)
LGI	Local Government Institute
LODA	Local Administrative Entities Development Agency

MINALOC	Ministry of Local Government
MINECOFIN	Ministry of Finance and Economic Planning
MINEDUC	Ministry of Education
MW	Megawatt
NCBS	National Capacity Building Secretariat
NDIS	National Decentralisation Implementation Secretariat
NGO	Non-Governmental Organisation
NUR	National University of Rwanda
NURC	National Unity and Reconciliation Commission
PFM	Public Financial Management
PSI	Policy Support Instrument
RALGA	Rwanda Association of Local Government Authorities
RCSP	Rwanda Civil Society Platform
RGB	Rwanda Governance Board
RRA	Rwanda Revenue Authority
RWF	Rwandan Franc
RWN	Rwanda Women's Network
SME	Small and Medium Enterprises
SSP	Sector Strategy Papers
UNDP	United Nations Development Programme
USD	United States (U.S.) Dollar
VAT	Value Added Tax

Note: Currency conversion based on March 2014 rates.

Preface

*by Peter Fahrenholtz, Ambassador of the Federal Republic
of Germany to Rwanda*



Rwanda is known for its ambitious development agenda, which is outlined in the Economic Development and Poverty Reduction Strategy EDPRS II (2013–2018). The fact that accountable governance is one of four thematic areas of EDPRS II, underlines its importance for the Government of Rwanda. In order to enhance accountability, transparency, and inclusiveness of participation, the Government of Rwanda chose to prioritise decentralisation, not only at the national level but also at the local level.

Germany's division of powers between the national state and its 16 federal states has developed over the centuries. This model of division of powers has proven to be very effective and stable.

I sincerely congratulate the Government of Rwanda opting for strong local entities and also for its steady and longstanding engagement in the sector of decentralisation. Already in the year 2000 the original decentralisation process started in Rwanda. Since then, this policy evolved further and today the Government of Rwanda implements its third phase of the Decentralisation Policy. The six strategic areas of the Sector Strategic Plan 2013/14 – 2017/18 contribute to consolidate what has been achieved so far.

In travelling through the country the progress becomes visible: schools, health centres, roads, and water and electricity supply improve the lives of hundreds of thousands of people. Financial transfers from the national level to the districts, as well as resources generated by the districts, have increased substantially. Also, capacities of local governments have been strengthened to implement projects, to plan local development, and to improve service delivery.

Despite this, challenges remain. One of these being: to decentralise responsibilities and financial resources in different sectors and to revise the existing legal framework accordingly. Another is to match increased responsibilities on district level with adequate capacities, not only in terms of quantity but also of quality.

I know the Rwandan Government is very much aware of these challenges and addresses them actively. Germany stands by the side of the Government of Rwanda and co-chairs the Sector Working Group on Decentralisation and Good Governance. German development cooperation provides technical advice to reform processes in order to strengthen capacities of national agencies and local administrations, to support fiscal decentralisation, to cooperate with civil society, and to strengthen citizens' participation in decision-making. In addition, Germany provides financial support to local infrastructure as identified by local governments.

With its Decentralisation Policy Rwanda has embarked on a major reform, which will entail profound changes not only for administrative entities and the way administration interacts with its citizens, but also for the mind-set of the people. I firmly believe that strong local governments with a sound financial base, own responsibilities, and a high level of participation is the only way to ensure national unity, good governance at all levels, as well as a productive and effective way to govern. The various examples presented in this book underline the progress achieved.

Introduction to the Book “Getting Closer to the People: Decentralisation in Rwanda”

*by Marion Fischer, Principal Advisor, Decentralisation and
Good Governance, GIZ Rwanda*



Decentralisation as a major state reform is highly relevant and will remain high on the political agenda in many countries. Rwanda has been working on reforming its governance system since the year 2000. Bearing in mind the long-term perspective of decentralisation reforms, the Rwandan Government has already made much progress and achieved tangible results, that not only impress experts who visit Rwanda, but has reached far beyond the country's borders. Now international delegations are coming to Rwanda to learn from its experiences in this reform process.

The term decentralisation refers to the political reform process itself, but also to the way public services are delivered and how political processes are organised across different levels of state and society. In this latter sense, decentralisation is a never-ending process like in the same way that economic or education policies are continually evolving. The ultimate goal is to bridge the gap between state and citizens: decentralisation helps the government get closer to the people.

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) has been providing technical advice to the Rwandan Government on its decentralisation efforts since 2001, focusing on three lines of support: 1) supporting the

institutionalisation of comprehensive capacity building for improved administrative capacities of local governments; 2) improving public financial management of local governments; 3) strengthening civil society participation in planning and monitoring at local level.

During this period, extensive sector and regional specific expertise were gained, not only by GIZ, but also by its diverse cooperation partners. The objective of this book is to gather and present the condensed knowledge accumulated in organisations and the lessons learned by individuals. The book aims to refine this information and make it available for a wider circle of interested readers and the international community working on decentralisation concerns. Thus, I am sure its publication will contribute to knowledge generation and dissemination.

Finally, I am also proud to summarise and present the results and impact the Decentralisation and Good Governance Programme – implemented by GIZ and financed by the German Federal Ministry for Economic Development and Cooperation (BMZ) – has achieved so far. I hope this will provide a detailed picture of the dynamics of this reform process, current challenges, forthcoming opportunities, and lead to new and fruitful endeavours in the future implementation of this complex task.

Achievements by the GIZ Programme “Support to Decentralisation as a Contribution to Good Governance” (DGG programme)

In the field of capacity building, GIZ supported the training of more than 2,800 local government employees who can now better perform their respective functions as executive secretaries, directors of administration, directors of finance, directors of planning, revenue officers, and internal auditors, among others. Furthermore, thirty 5-year capacity building plans on the district level have been established. They are broken down into annual District Capacity Building Plans guiding capacity development activities for districts. The National Capacity Building Secretariat increased its support to the District Capacity Building Plans and invested 800,000 EUR for training measures for local administration staff for fiscal year 2013/14, thus greatly contributing to a better performance of district staff. The DGG programme provided advice on the new law regarding decentralised administrative entities, which was approved in December 2013. The law improves the distinction between different local government bodies. The programme supported the analysis of the status of sector decentralisation in Rwanda and the production of a Prime Minister’s Order for sector decentralisation. Finally, the Local Government Institute, as key service provider for local government capacity development in Rwanda, is supported by GIZ.

With regard to fiscal decentralisation, Rwandan districts have increased their local revenues consistently (8 % in fiscal year 2012/13, up to 26 million EUR). GIZ supported a variety of activities that lead to this increase: 1) developing a new Land Revenue Management System that contributes to the growth of local revenues; 2) supporting an enhanced Integrated Local Revenue Management System which increases the efficiency and effectiveness on local revenue management; 3) introducing a simplified budget guide for district councillors to strengthen the role of local government in budgeting processes; and 4) supporting a new legal framework for local revenue management, clarifying roles and responsibilities and allowing for transparent and efficient local revenue administration. Due to trainings of local government employees, local administration increasingly complies with the Auditor General's recommendations (increased by 7 % in fiscal year 2012/13), which is monitored by Transparency International. GIZ supported the training of more than 370 local government employees who now make use of their enhanced expertise on local revenues and finances to improve the quality of public financial management at the local level. The development of innovative software solutions for accounting and reporting for non-budget agencies (e.g. health centres, schools, etc.), has been supported by GIZ, and will make budget execution at local level more transparent and contribute to better audit results in the future. Through information campaigns, citizens now have more awareness on their rights and duties as taxpayers.

At the heart of citizen participation in the DGG programme is the perception of citizens on decentralisation and service delivery. Hence, the main impact of the component is to bring this perspective into the planning and monitoring of service delivery, working hand in hand with the local administration. This is being done through complaints-based mechanisms, such as the suggestion boxes that are implemented by Transparency International Rwanda and supported by GIZ in four districts. They allow for monitoring citizen satisfaction, or lack thereof, with the quality of service delivery. Another mechanism giving voice to the complaints of citizens are radio debates conducted in cooperation with the Rwanda Civil Society Platform, during which citizens raise their concerns to local authorities. The rectification of these raised concerns are monitored. Per year, roughly five radio debates are held. Together with the network *Initiative pour la Participation Citoyenne* (Initiative for Citizens' Participation), participatory planning in the Southern Province of Nyamagabe is taking place and bringing citizens' views and needs into the process of *Imihigo* and District Development Plans. In order to improve these approaches, civil society is supported in their capacities for advocacy as an evidence-based approach.

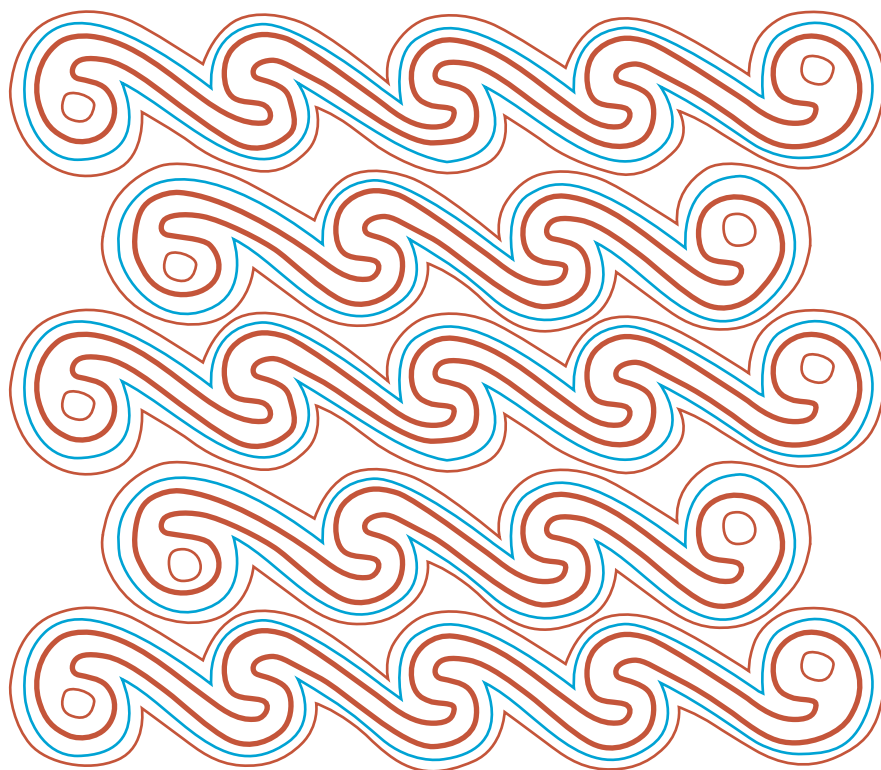
Outline of Content

This book is composed of five chapters. While chapter 1 (Context) provides the reader with a first impression and idea of the country of Rwanda, chapter 2 delivers an actual “Notion of Decentralisation.” Chapter 3 (Decentralisation in Practice) is the core of the book, and concretely portrays what has, and is, being done in the decentralisation reform process. The third chapter is divided in three sub-chapters, referring to the three main support lines of GIZ: capacity development, fiscal decentralisation, and citizen participation. Chapter 4 (Better Services for Citizens) gives concrete examples on how services for citizens are improved and brought closer to them. Lastly, chapter 5 talks about concerns and “Expectations for the Future.” The book concludes with an epilogue presenting the new approach by GIZ in the field of decentralisation and local governance.

My wish for Rwanda is that the country will continue on the long path of further decentralising its governance system and to achieve the provision of more and better services for all citizens where they are needed. GIZ is pleased to be a development partner of Rwanda and looks forward to collaborating with the government and civil society in order to make this process a real success.

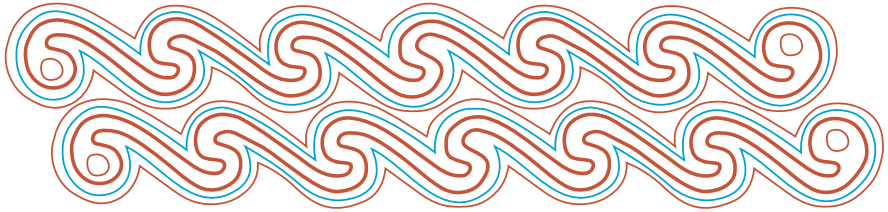


The Context



Welcome to Rwanda – An Interview with Jacques Nshimyumukiza, a Rwandan Living in Germany

by Ruth Bigalke-Nolan



Jacques Nshimyumukiza has lived in Germany for thirty years, and for the past twelve he has been preparing German development cooperation employees for their postings in Rwanda and Burundi by teaching them about the people and culture there.

Ruth Bigalke-Nolan: Just recently I travelled to Rwanda from South Africa for the first time. From the airplane you can watch the landscape changing. I could almost trace out where the border lies between Rwanda and its neighbouring countries. The many hills and lakes were what caught my eye, and above all the mountain slopes that are terraced, sometimes all the way up to the summit. When I arrived I found that it's a very orderly place, even though there are people everywhere. The pavements are like those in Germany, and there are zebra crossings with drivers who stop for pedestrians. There are no plastic bags floating around because they have been banned. You sense that Rwanda is different...

Jacques Nshimyumukiza: You're right Rwanda really is different, because it's the most densely

populated country in Africa. Except perhaps for Burundi, none of the neighbouring countries have the same kind of conditions. The main thing that stands out about Rwanda is its history, which is marred by one of the worst genocides the world has ever seen. That event changed a lot, from the economy in general, to people's mentality; in particular, it has made them more determined.

Political will is another special trait: people have a clear vision. They have an authoritarian president but he still gives everyone the feeling he is working for the good of the people, even though he expects a lot from them in return. This starts with the leaders and reaches down to the lowest levels of the administration. Ultimately, the pressure is also passed on to the population at large. Everyone is expected to do their best, to contribute to the country's reforms and make appropriate sacrifices. One example is agriculture, the sector that employs the majority of Rwandans. As part of the reforms, traditional settlements are being done away with, and people are being resettled in roadside villages. You can see similar things happening in urban

areas. Informal settlements and slum quarters are simply being torn down and the people relocated.

Single mindedness and the will to reform are also evident in the country's decentralisation policy. For example, the district authorities now have to raise their own income, which puts people under more financial pressure.

Cleanliness is a tradition in Rwanda. People used to keep their yards clean in the past, too; then came the ban on plastic bags, which has been implemented very strictly. In retrospect people have evidently accepted this ban across the board, because it's working. We are proud that the place is clean, that hygiene has improved and the incidence of disease has declined. On top of that, there really has been a change in behaviour.

Was this simply about banning plastic bags – just a change in the law – or do people understand that in Rwanda, with its small surface area and the pressure to feed everyone, there just isn't any space for large rubbish tips where old bags are stored for decades? Is there such a thing as environmental concern?

Protecting the environment is not necessarily a priority, even if it is highly valued in national policies. The central problem is still the scarcity of land, with 10.5 million people living on an area the size of Belgium, and with 80 % of the rural population practising subsistence farming. And we still have a strong growth rate of 2.8 %. Add to this the country's natural topography of steep hillside slopes that pose a serious erosion hazard. And there's simply not enough space! Rwanda has no time to lose! That's why there's an urgent need for reforms so that land can be managed more intensively. Every square kilometre and every minute counts.

How happy are Rwandans about having to live with this pressure to reform?

On the whole they are satisfied, because their highest priorities – security, stability, and peace – are assured, followed by food security. As long as the people can go about their business and farm their land in peace, they'll be able to feed themselves. Then there's education. The education system has been reformed in recent years and now all children can attend school. Yes, the people are satisfied, but in a modest way. The country is still poor.

“Single mindedness and the will to reform are also evident in the country's decentralisation policy. For example, the district authorities now have to raise their own income, which puts people under more financial pressure.”

At the beginning you spoke about how things have picked up a lot in economic terms since the genocide...

For several years now, Rwanda has maintained an economic growth rate of between seven and eight per cent. Most other countries achieve that by selling their natural resources, but Rwanda is comparatively resource-poor. The economy is beginning to diversify. The aim is to shift away from agriculture towards a higher level of industrialisation and a service-based economy. That's why education and infrastructure are crucially important. Energy supply is a particular hurdle for the Rwandan economy, a problem the country is trying to overcome using a regional track. The East African Community has a major part to play here, as does the principle that any profits earned in the region should stay in East

Africa. And, incidentally, when it comes to health care and the education system, there is no urban-rural divide in Rwanda.

So why is there still a need for a decentralisation policy?

Our policy of decentralisation has two objectives: first, more efficient administration and second, the creation of a new identity following the genocide. That's why we are renaming towns and villages, for instance. It's all about nation-building.

And what role should development policy play in this? How is the role of Western donors perceived?

At present, development cooperation accounts for around half of the national budget, a fact that speaks volumes.

But Rwanda needs a healthy measure of self-confidence. The will to strengthen the region's self-esteem is there. After all, the only way we can get anywhere is if we find a way out of our predicament ourselves. President Kagame is not always particularly diplomatic. On the contrary, he's very direct, even when addressing Western donor countries, despite the fact that Rwanda is reliant on donor funding. Speaking to his own people, he states very clearly that development cooperation actors are not here for altruistic reasons but are working in their own interests, be they political or economic. The role of faith-based and non-governmental organisations (NGOs) is also seen in this light. But the latter are not as relevant because the government is mainly interested in budget assistance. And that is not about to change. That's why President Kagame is not overly critical of development cooperation, not in the same way as Dambisa Moyo is, for example, in her book "Dead Aid".





Typical Rwandan landscape, Nyamagabe District

The question is really about how and when we can we bring development cooperation to an end. In other words, it's about finding an exit strategy.

What kind of experiences have you gained through your work?

Over the years I have certainly had many more pleasant than unpleasant encounters. I have got to know a lot of people whose attitudes I see as a boon to my country. Relating to the sad history of Rwanda, Germans often point out the things we have in common. That's something I find gratifying. On the other hand, I often notice there's a big difference between the generations. Younger people are usually open and highly motivated; older people less so. Often people are impatient and don't understand that many things in a country like Rwanda still take a lot of time – personal security, for example, although Germany isn't necessarily as safe as people think. There are some parts of Berlin which I have to avoid – it's not as bad as that in Rwanda. I've also noticed there are a lot of prejudices about Rwandans; for instance, people claim they are reserved and humourless.

So Rwandans are not reserved and humourless?

Well in comparison with the Congolese perhaps we are – but compared to the Germans? Rwandans do have a sense of humour, you just have to understand it. That's another area where a lot has changed since the genocide. I fly to Rwanda a lot, and following the genocide it really did feel like a war zone. You had to be careful what you said. Today, people laugh a lot more again. Children play in the street. You might even be greeted with a smile by the customs officials at the airport. Peace has arrived.

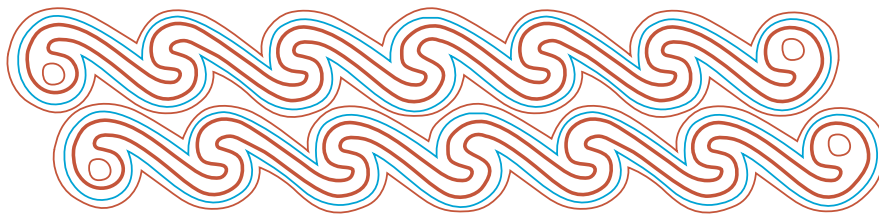
What kind of Rwanda would you like to see for your children?

My wish list for Rwanda is as long as my arm. At the top is long-term peace – primarily internal peace between Rwandans, but also with our neighbours. I think the country is more or less on the right path. Provided we can ensure stability and sustainability, I think Rwanda can look forward to a very promising future. And if the country's beautiful natural environment were to get special protection, and the people were to become a bit more tolerant, open and warm-hearted, then the rest of my wishes would also be fulfilled: my children would undoubtedly feel good about being in Rwanda then.

Thank you, Mr. Nshimyumukiza, for the interview.

Kigali and Beyond

by Dr. Peter Stepan



It is said to be the cleanest city in sub-Saharan Africa. Visitors to Rwanda can hardly believe their eyes when they travel from the airport towards the city along Umuganda Boulevard for the first time. The well-made roads immaculately swept, the central reservations lined with hedges and palm trees and always freshly mown, the weeds pulled out by hand. Rwandans are always pleased to hear this praise for their capital city Kigali, even if it is just one of its many facets. To travel down from one of the city's 15 or more hills to the places where the most people live, you need a four-wheel-drive vehicle to manoeuvre your way through the ruts and over the stones the torrential rain leaves behind on the mostly unpaved roads. While government buildings, embassies, and company offices line the avenues, simple houses are often built of mud, sometimes rendered with a coat of cement: these are the (informal) homes of more than 80 % of this city's residents. Slums like those seen in most other cities, not only in the southern hemisphere, are hard to find in Kigali. Here, even the poor can just about afford this simple mud-brick construction, which at least provides a dignified setting for their life.

The views from Kigali's hilltops to the summits, mountain ridges and valleys that surround the city are what make its topography so appealing – although the winding roads connecting the different quarters of town across steep slopes leave every newcomer feeling disoriented. The world has no shortage of cities built on hills. But in how many of them can you only build houses on half the surface area – either because the slopes are too steep or because the valleys are too marshy? The 'wetlands' are what give Rwanda's capital its special character. Bordering streams and rivulets, they provide plenty of space and water for crops, livestock and papyrus swamps. For the time being at least, they also ensure that building developments are restricted to the hillsides and residential islands. People do their washing in the streams and springs, and then spread their clothes out to dry in the meadows. Only a few roads and bridges transect these kidney-shaped wetland areas that meander their way through the urban landscape. Biotopes have survived wherever the water table is

too high to cultivate beans, millet and maize. Here you can find grasshoppers as colourful as the myriad different birds in these unofficial nature reserves. It may be a source of concern that Kigali still has hardly any industry, but it is a blessing for biodiversity. The city's only tall chimney belongs to a textile factory, and it emits smoke only rarely. The wealth of birdlife in Kigali's airspace is unique for a large city of 1.2 million people and traditionally includes small seed and insect-eaters along with birds of prey that prevent the mice and rats from multiplying out of control, along with storks, herons, pelicans, and many other species.



Youth center and surrounding settlement, Kigali

City and countryside

Plastic bags have been banned in Rwanda for years – unlike plastic bottles. Anyone disembarking from an airplane with plastic bags or with their cases wrapped in polythene must surrender all this packaging before entering the city – although they do get to keep the contents! The sight, so typical of Africa, of squares, roadsides and entire landscapes blighted by scraps of black plastic, is not something you will see in Rwanda. Yet its extreme cleanliness is far from the only thing that distinguishes Kigali and its surroundings from other African cities and countries. Where are

the vendors and hawkers who peddle their goods on the pavements and squares: here, shoes, socks, and cigarettes; there, fruit and fried foods? Where are the steaming cooking pots on wood fires at the roadside? Where are the lines of women carrying produce from the country right across the city on their heads? Has some official decree branded them relics of backwardness? Plain-clothed police officers patrol the city, and anyone caught dealing in black-market goods is fined. It's even unacceptable to walk barefoot through the city. Anyone who has travelled widely in Africa cannot cease to be amazed on visiting one of the city's few markets – all of which are indoors. A whole day's harvest of seasonal goods may be laid out on the counters and tables, along with fish from the lakes of Rwanda and its neighbouring countries, but besides the infinite array of household goods and clothing, the only items on sale here are raw and uncooked. Markets, where nothing is cooked, fried or consumed! There is of course the option of biting into those small bananas – the tastiest in the world – or the apples imported from South Africa. Even after visiting dozens of small village markets and after several overland trips, the visitor is left with the same impression. Assuming they do not already grow their own vegetables, Rwandans visit the market or shops to buy what they need for their daily meals, but eating is something they do at home as a family. The staple food for all Rwandans is cows' milk. Socially, with friends and neighbours in the village bars, they drink banana wine or Western-style beer. But as a rule, they do not eat there. As yet, a Western-style restaurant culture has only developed in the cities. It must have been a revolution when the larger enterprises set up canteens for their employees.

A few years ago, some of Kigali's districts must still have made a really village-like impression. Even today, the official presidential residence on Kacyiru Hill is still called Urugwiro Village. However, it seems this did not suit some people's ideas of what an emerging economic capital should look like. To rectify that image, the mayor issued a directive stating that milk-bush hedges – the kind that surround countless Rwandan homes and whose bitter sap makes them goat-proof – were unwelcome in the capital city, with immediate effect. Householders were set a deadline to implement this modernising measure. Anyone who had not pulled up their hedges by this date could expect a troop of municipal workers to enforce the measure. Today, plot boundaries are marked by more mundane hedges, while ornamental bushes decorate the gardens of the well-off. However, this visual correction fails to distract from the infrastructural shortcomings. Three quarters of households in Kigali are not yet connected to the water mains, which means women and children still have to fetch water from the public wells in their respective neighbourhoods. With few exceptions, Kigali is a city of septic tanks; even now, sewers have not been planned, even for the large hotels. The people who live on the steepest hillsides only rarely get to their homes by means of proper steps: instead they climb the clay and sand-filled plastic sacks that line gullies carved out by water

flowing from the slopes: always a dangerous procedure for outsiders and the elderly – and when it rains, for the other residents too.

Kigali: the least African city of sub-Saharan Africa. ‘Africa light’ might be one way of describing the experiences it offers. The level of public safety is also above average. Nothing would happen to you if you walked with your luggage from one end to the other of the sleeping city at 3 o’clock in the morning. Yet at the same time there is a deep-rooted fear of insurgence, with armed soldiers controlling transport hubs and patrolling large areas around the president’s office and his private residence in Kiyovu, where an entire slope has been blocked to through traffic.

Inferno

Apocalyptic Kigali: this city, bathed year-round in gentle light, was also the cradle of one of the world’s greatest crimes against humanity; birthplace of the plan, prepared in minute detail and tacitly accepted by François Mitterrand, to exterminate the country’s Tutsi minority. In the hours that followed the shooting down of the presidential plane on the evening of the 6th of April 1994, the hit-squads were already on their way to drag the most prominent Tutsi opposition members from their homes. Roadblocks were set up and the executioners took to their stations. Rwanda sank into the darkest night; a St. Bartholomew’s Day massacre that lasted 100 days. A tide of blood swept across the country and also carried away any moderate Hutus who resisted the squads, hid Tutsis, or refused to deliver their Tutsi family members into the hands of the murderers. When the Rwandan Patriotic Front, advancing from the north, finally captured Kigali, the Hutu junta had already fled to Gitarama. Carrying what was left from the coffers of the national bank, they joined the second wave of refugees – Hutus now – heading for Congo. Half a population fleeing its country: the second act of this tragedy, upon which the curtain has yet to fall.

Kigali: a city of perpetrators, a city of victims, but also a city of many courageous citizens. In July 1994 the country was like Germany in the aftermath of the Thirty Years War. Twenty years on, visitors today are greatly surprised when they search for traces of barbarity but find none. Only in a few places do the remnants of brick walls stand hidden by trees and bushes, patiently awaiting the return of the former owners’ families and the clarification of complicated ownership issues. One prominent architectural witness to the fighting is the Parliament Building in Kigali, seat of the Chamber of Deputies and of the Senate. Located atop one of the city’s hills, it wears its wounds openly; the scars of artillery shelling in its façade left unrepaired as a warning to future generations.

What vanquished city anywhere in the world has not hastened to erase the memory of its abasement, of the crimes within its walls and the odour of corpses and flames? It is not just remembrance, but also forgetting and suppression that play roles in the collective process of coming to terms with trauma. Just as the Japanese and the Germans immersed themselves blindly in their work after 1945, so too did the Rwandans after 1994. Always looking forward so as to forget the shame – a country absorbed by the future; ‘Vision 2020’ anticipates the transformation of Rwanda’s agricultural society into an IT-based economy. President Paul Kagame is showing his African colleagues how they can use professional management and an economic growth rate of 10 % to reinvent their ‘paradises’ of corruption, cronyism, tribalism, and bad governance as modern states. Rwanda, the model country; the Switzerland of Africa. Centuries of isolation followed, quite suddenly, by an intense reconnection with the outside world.

The futurism of Kigali’s urban planners has no respect for historical buildings. Houses from the unloved Belgian colonial period, parts of the old business district, the brick-built prison ‘Nyarugenge 1930’ that could be converted into a cultural centre: they are all being demolished one by one. The architecture of the past is like a beggar uncertain of receiving any alms. Heritage preservation is not part of the vocabulary of this radical urbanist culture. This new custom-designed Kigali is without a history, its surface glossy and cold. The memory of the genocide – of the shootings and the former roadblocks – has been obliterated from the cityscape. Now it is sustained only in the annual ritual of Commemoration, from April to July, and all year round at the memorial site in Kigali’s Gisozi quarter, as well as the monuments and Catholic churches dispersed around the city and the country – the churches in which countless Tutsis unwittingly sought refuge, only to be attacked with grenades, shot at, and butchered with machetes.

‘My Neighbour, My Killer’ is the title of a documentary about the Gacaca courts, the last of whose trials ended in 2012. The suffering of countless individuals that still endures today – the suffering of widows and orphans, of the women who were raped and the children they bore as a result (now 20 years old), of the victims who today often live next door to the murderers of their families – this collective trauma in all its profundity remains hidden to outsiders. So, too, do the things that pass between the members of the ethnic groups on a psychological level. Officially, there are no longer any Tutsi, Hutu or Twa (pygmies) – only Rwandans. Anyone claiming otherwise in public is guilty of ‘divisionism,’ and could end up behind bars.



Urban settlements around Kigali

A thousand hills

The last Saturday of each month is a special day in Kigali. This is *Umuganda*, the morning of community service. All Rwandans are obliged to contribute and repaint the alternating black and white kerbstones along the boulevards, for example, or sweep the storm drains and central reservations and repair any damaged roads and bridges. However, people seem to shirk the work than volunteer for it. Following their labours, citizens attend a community meeting in the *Umudugudu* – the smallest administrative units – where they undergo political instruction. Participation here is mandatory. A peculiar calm settles on the city as, from 8 am to 11.30 am, a general ban on driving comes into force for local residents (including municipal and country buses), and shops and banks are closed. Anyone who still tries to drive, or who dares to leave the house on foot will be stopped by the police at every junction. For expatriates it's a real Sunday morning feeling – whereas on actual Sundays, with the exception of the administration, there is a pervasive sense of industry, and the churches – mainly spacious halls with tin roofs – are transformed into wailing houses of penitence and fervent prayer.

Rwandans are equally eager to accept foreign aid as they are to look down on it, but nowhere in Africa do the people bemoan their dependence on the industrialised countries more than here. They project themselves as autonomous yet at the same time make demands, such as for flat-rate budget assistance rather than the kind of project funding that necessitates itemised verification.

When the first wave of persecution started at the end of the 1950s, many Tutsis already fled to neighbouring countries. When they, or their descendants, returned to the country after the 1994 genocide – though not all of them were ready to do so – some (coming from Burundi or Congo) spoke French and others (from Uganda, Kenya, Tanzania, or Zambia) spoke English. They were joined by returnees from Belgium and other Western countries. For the first time, Kigali acquired a cosmopolitan feel and its links to the exile communities still persist. Efforts to attract returnees still continue to this day. As these returnees are mostly well-educated, articulate and financially well-off, the Rwandan state gives them the red-carpet treatment.

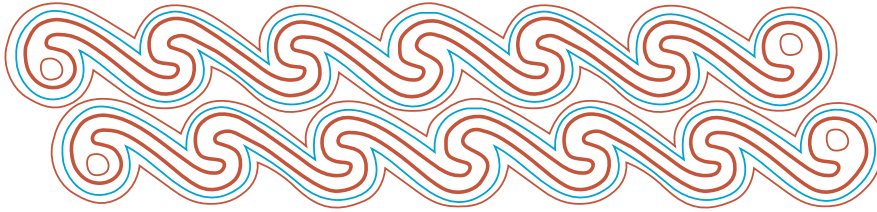
Outsiders tend to think that churchgoing and wedding ceremonies provide the people of Kigali with cultural experiences and satisfy their need for music, song and dance. Their idea of culture is strongly based on family values. And the arts (which generate no short-term, and very few long-term profits) play just a marginal role in the government's official vision of the future – their main contribution is seen in terms of promoting lucrative tourism. Rwanda's capital city no longer has any theatres; there are no public stages for concerts or dance. Whoever wants to

sing, dance, or perform a play on the stage, or present an exhibition, must make do with restaurants or the lobbies and conference rooms of large hotels. At least in 2013, the city saw the opening of its first large public library, and in 2014 the first state music school. For several years, the Goethe-Institut has provided a platform for filmmakers, literary figures and intellectuals. In May 2014, the Institut Français lost its long-standing address having neglected to act on a three-year deadline for planning a multi-storey building at one of the city's most prestigious locations. France's complicity in the 1994 genocide weighs heavily on its relationship with Rwanda. The country resigned from *La Francophonie* and joined the Commonwealth – prompting a language-policy crisis. To this day, Rwanda's education ministers are still looking for English teachers to facilitate the language switch.

Editor's note: This article has been shortened from its original version.

Rwanda, Past and Present – An Interview with former GIZ Country Director, Dr. Ulrike Maenner

by Katrina Lampert



Dr. Ulrike Maenner

After more than two decades away from Rwanda Ulrike Maenner returned to the country in 2011 to take up the position of Country Director for the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) until 2014. Upon landing in Kigali she found a country much changed from the one she encountered in 1988, then working as an advisor to the Ministry of Finance and Economic Planning for the former Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ). Choosing to return was not an easy decision for Mrs. Maenner, who wondered whether she could face going

back to the country knowing many friends and colleagues lost during the genocide would no longer be there. Having declined previous opportunities to return to Rwanda for short missions, after many months of consideration Mrs. Maenner ultimately decided to come back. She heard how much Rwanda had changed and could not help remembering the country's stunning beauty.

While its beauty has certainly remained intact, the Rwanda of today has many differences from the country Mrs. Maenner got to know in the 1980s. Back then Rwanda was not so unlike its neighbours; one could hardly see a change driving from Rwanda to Burundi. Today, however, the differences are clear, particularly in terms of housing and road networks. Even the thatched-huts that used to dot the countryside are now replaced by tin roofs, alleviating the widespread child mortality associated with tick-borne fever. While everyday conveniences for expatriates have not changed much in twenty-five years, it certainly has for many Rwandans. Mrs. Maenner describes the lack of a middle class during her time in the 80s when only expats

and very high ranking people like ministers had cars, and even those working in relatively good positions were unlikely to have running water in their homes.

“What is, and always has been striking about Rwanda however, is the strength of the state, particularly when compared with other African countries.”

Since cars were rare and busses only for the wealthy, the primary form of transport was walking. As Mrs. Maenner emphasises, *people just walked*, and often without shoes. For an everyday Rwandan if you were not walking, you were riding a bike. The motorbikes that now cover Kigali were not around then and much transport, even for merchandise, was done by bike. For most of the rural population transport was limited to their own feet, with many rural Rwandans rarely leaving their villages and likely never even seeing the next largest town. These days, cars – while still for the wealthier – are much more populous due to the new existence of a Rwandan middle class. Kigali is now covered in paved roads and has high-rise buildings peppering its skyline. With the variety of restaurants and even a movie theatre it is easy to see how much Kigali has changed in twenty-five years. The most visible change Mrs. Maenner describes, however, is that medium-sized cities have sprung up in places that once used to be just villages. Driving through the countryside before one would find only a few houses along the road and even fewer if you went off-road. Today many populous medium-sized cities with much infrastructure can be seen.

While it is certainly easy to see *physical* changes in Rwanda, the country’s cultural transformation

requires a more discerning eye. On the surface level this “land of a thousand hills” and its people are not so different today. Traditions like the famed *Intore* dancing and basket weaving have changed little in twenty-five years, and overall the people remain rather reserved. Mrs. Maenner remarks that Rwandans have never been a very talkative bunch, but notes that this is slowly changing. These days GIZ works with a number of people who have re-immigrated to Rwanda. They know much more of the world than Rwandans used to in the 1980s; they have travelled more extensively and as such, are more familiar making foreigners feel at home. While these cultural changes are not always so apparent, some other aspects are. For example, *Umuganda* – the last Saturday of every month where citizens participate in community service – used to be *every* Saturday. Mrs. Maenner explains how GTZ colleagues did not usually participate in the community projects but that they went into work for half of every Saturday instead. Having a longer weekend nowadays is certainly a sharp break from the past.

Katrina Lampert: What did you find most striking about the country when you were there in the 1980s, and now today?

Dr. Ulrike Maenner: It was my first position with GTZ and also my first position in Africa, so I didn’t have much to compare it to at the time. What is, and always has been striking about Rwanda however, is the strength of the state, particularly when compared with other African countries. Even back then the state was present, both in the ministries and on the local level. Also striking – and Rwandans know it, because they have been commended for it so many times – is the remarkable recovery achieved during the past twenty years. What I heard from people who

were here after the genocide is that most of the country's infrastructure was destroyed. As late as the 2000s some of it had still not been rebuilt. We can see there has been quite some progress in the last ten years alone.

One of the key success factors for this progress is that the paradigm chosen was to provide development and a better life in terms of economic and social achievements for the population. Also in order to achieve reconciliation and to make sure that Rwanda can really provide a perspective for all citizens. This is powerful motivation for many who work in government; they really believe in this development agenda as an agenda that can overcome the past. For many of them, part of their families were killed, as such there exists a strong internal impetus to make the country into something better than it was before. You can truly see the commitment to a development agenda in all layers of government.

“You can truly see the commitment to a development agenda in all layers of government.”

Compared to current day, what did development cooperation look like back then?

Well a key difference is that back then we only had projects, not budget or sector aid. Those instruments didn't exist, and projects were primarily to do with agriculture, or social issues like education and health. Also dissimilar were the size of projects as there tended to be many, and with lots of expatriates. The whole approach was different as cooperation between donors was not strong, unlike today where we have an aid effectiveness agenda discussed on the international level. The general new

attitude is that donors must cooperate and look more deeply at the local agenda. We operate under the principle of alignment, so projects or programmes need to align to the development agenda of the partners, which means we would reinforce what the partner government is already doing. I believe this makes the impact much larger.

One of the main challenges to development cooperation was to what extent the GTZ agenda was also the agenda of the local population and government. In addition, it is always a challenge to not only look at *what* is being done, but *how* it is being done. That being said, even back then Rwandans, like today, had a strong sense of their own agenda, which has only continued to increase. As an example of this change I think of the energy sector. I remember that at the time we had a power plant maintenance project, and if the power plant went down a German engineer would go and fix it. Nowadays this would be unthinkable; local engineers would repair the power plant and an expatriate would only advise on a complicated technical or policy issue if needed. The basis of maintaining the system is now owned and operated by Rwandans.

In the early 1980s Rwanda's agricultural productivity stagnated and by the end of this decade the decline of the rural economy was exacerbated by a 50 % decrease in world coffee prices (which was one of its key exports at the time) and the introduction of World Bank and International Monetary Fund (IMF) structural adjustment programmes.¹ Was this stagnation and decline of the economy noticeable during your time in Rwanda?

1 Oppong, Joseph R. (2008). Rwanda. Chelsea House. p.55-56

The agricultural sector certainly played a role in the country's deteriorating economy. It used to be that driving across the country everything you'd see was green – like it still is today – but many hills were covered (in addition to tea and coffee plantations) by banana trees grown to be made into banana beer. These crops paid better prices, but adversely, everybody growing the same thing had an impact on prices. Nowadays produce is much more diversified. According to a recent World Bank report based on the 2010/11 household surveys, agriculture accounts for 73 % of employment.² Poverty reduction in Rwanda is more prevalent in the rural areas and is very much based on additional jobs that have been created directly from farming, or linked indirectly to agricultural business. So this is a large change from the 1980s.

“The basis of maintaining the system is now owned and operated by Rwandans.”

Back then there was problem with foreign exchange, a result of deteriorating terms of trade and fixed exchange rates (not a managed float like we have today). The GTZ project I was part of advised the Ministry of Planning and the Ministry of Finance on their macroeconomic framework during Rwanda's first structural adjustment programme with the IMF. Since we were working in this area it was very clear for us to see that if Rwanda did not go into some kind of structural adjustment they would face serious problems in terms of financing imports and the like. As part of my project we trained Rwandans on using the appropriate instruments

for economic analysis and forecasting. I'm proud of what we did at the time with the Ministry of Finance and the Ministry of Planning. In 2008 the Ministry of Finance asked us if we could again work with them in this area, support them in capacity building and macroeconomic analysis and forecasting. Our previous work had not been forgotten.

How has GIZ most helped Rwanda in regards to the development agenda?

What probably stands out most is thirty years of support in the health sector. Before 1994 the Catholic Church was extremely strong and had a monopoly on managing schools and health centres, not to mention that the Rwandan Government would not dare go against the Church at the time. Consequently, any efforts by GTZ when it came to family planning were futile. However, after 1994, GTZ, DED (German Development Service), and later GIZ continued to work in this area and supported Rwanda in building up – for a poor country – a very performing health system. The health insurance is unique for a country of its development level and presumably in all of Africa. When someone has a common problem like malaria or diarrhoea, or is pregnant, the health system will provide adequate services. This, of course, has reduced child mortality and maternal mortality with these indicators developing favourably. Germany was very committed to this agenda and has provided a long-term support to Rwanda's health sector.

How else has quality of life improved for Rwandans since the 1980s?

Although rural Rwandans still may not have conveniences like electricity in their homes, they do have certain social improvements, particularly

² World Bank. Results Profile: Rwanda. <<http://go.worldbank.org/57RY4X44DD>>

in regards to health care and education. This has had a large impact on family planning. Women used to give birth until they simply no longer could, often having upwards of twelve children. This doesn't exist anymore and even in the countryside there is now a sense that having so many children wouldn't pay off for the family. These days all children have the opportunity to go to primary school at the very least, and due to this opportunity I imagine parents are more optimistic for their children. They have expectations that their children will learn something and maybe their lives will be better than the parents' own.

“In 2008 the Ministry of Finance asked us if we could again work with them in this area, support them in capacity building and macroeconomic analysis and forecasting. Our previous work had not been forgotten.”

So Rwandans are more optimistic now?

It would depend on who you ask, but I am sure back then a considerable number of people didn't feel secure as there were waves of persecution and killings in the decades leading up to 1994. How can you be optimistic if you're afraid for your life? Even if there weren't killings there was a lot of pressure for Tutsis to leave their jobs. This put pressure on the former GTZ and DED (now merged into GIZ), but we did not dismiss any staff because of this. Unfortunately, however, many GTZ employees perished during the genocide. So in comparison I would say that yes, today Rwandans can definitely be much more optimistic.

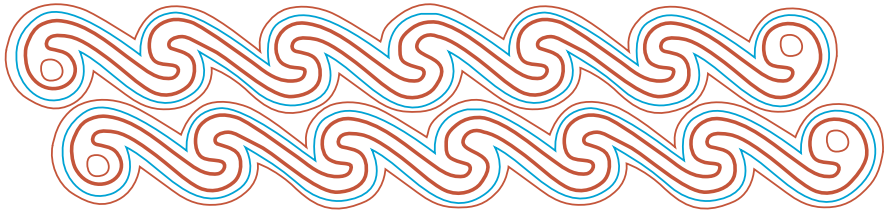


Market in Kigali



Economic Growth and Social Progress – An Introduction

by Dr. Thomas Taraschewski, Wenceslas Niyibizi, and Hannah Elisa Bresch



Rwanda's economy is currently one of the fastest-growing economies in Africa. The small country has made significant progress from the devastated nation it had been after the 1994 genocide which decimated Rwanda's economy and severely impoverished the population. Investments, internal as well as external, came to a complete standstill. During the last twenty years, Rwanda has made substantial progress in stabilising and rehabilitating its economy. It has experienced one of the most impressive periods of socio-economic progress in its history: economic growth, reconstruction, and development of infrastructure, as well as investments in the agricultural, industrial, and service sectors in line with a strong support of the financial sector. The overall objective of the Rwandan Government is clear: the transformation to a knowledge-based economy which will lead the country to wealth and stability. But even against the background of substantial economic growth rates over the last two decades, Rwanda remains a severely under-developed, agrarian based economy with 62.2 % of the population (as of 2011)³ still living below the World Bank extreme poverty line of 1.25 U.S. Dollar (USD) a day.⁴

The economic vision of Rwanda

To reach economic development, the Government of Rwanda is strengthening its fiscal policy. Important aspects of this policy are: (1) the economic transformation from a subsistence agricultural economy to a knowledge-based society with high levels of savings and private investments; (2) the reduction of poverty by improving education, infrastructure, and foreign and domestic investment, and pursuing

3 The World Bank (2014a). "World Development Indicators: Poverty rates and international poverty lines." <<http://wdi.worldbank.org/table/2.8#>>

4 Ibid;

market-oriented reforms; and (3) to overcome the country's dependence on external aid. The Vision 2020 and the Economic Development and Poverty Reduction Strategy (EDPRS)⁵ I and II are essential parts of this fiscal policy.⁶ According to its Vision 2020, the Rwandan Government wants to increase the per capita income from 220 USD in 2000, to about 900 USD per year in 2020, which will be an annual growth of at least 7%.⁷ As the Rwandan President Paul Kagame mentioned in September 2013, with EDPRS II the Rwandan Government is aiming at a “double digit growth of 11.5 % and reducing poverty levels by at least 15 % over the next five years.”⁸



Moto taxis in Kigali

5 The Republic of Rwanda (2012). Economic and Poverty Reduction Strategy 2013–2018: Shaping our Development

6 Vision 2020 was enacted in 2000, EDPRS I in 2007 for the period of 2008 to 2012 and EDPRS II in 2012 for the timeframe of 2013 to 2018.

7 The Republic of Rwanda (2000). Rwanda Vision 2020, p.4

8 The Republic of Rwanda (13 Sept. 2013). “Rwanda launches second economic development and poverty reduction strategy to drive the country towards middle income status” <<http://www.gov.rw/Rwanda-launches-second-economic-development-and-poverty-reduction-strategy-to-drive-the-country-towards-middle-income-status>>

Economic vision versus reality

Rwanda, as the most densely populated country of Africa,⁹ is trying to overcome the limitations of its small, hilly, and landlocked economy by its modernisation and by leveraging regional trade.¹⁰ The desired economic transformation remains a challenge for the Rwandan Government, as Rwanda has no natural resources to improve the economy. Today, tourism, coffee, tea, and a small amount of various high value minerals are Rwanda's main sources of export. In particular, the prices of coffee and tea are subject to fluctuations on the international market and therefore have not been able to cover import needs. The balance of payment declined by 22 million USD (from 234.5 million to 212.4 million USD) between 2011 and 2012.¹¹ Although exports have been growing since 2009, imports have been growing faster, which has led to a widening of the trade deficit.¹²

Recent data from the National Institute of Statistics of Rwanda shows that on average, 74 % of the entire population aged 16 and above is economically active, noting that rates are higher for rural than for urban areas.¹³ According to the main export goods, the Rwandan labour market is predominated by the agricultural sector, with 73 % of the working population working in it.¹⁴ Compared to other sectors, the labour force in the agricultural sector is not proportional to its productivity; in fiscal year 2012/13 it only made up 33 % of the Gross Domestic Product (GDP), whereas the service sector produced 45 %, and the industrial sector 16 %.¹⁵

9 Rwanda has a total area of 26,338 km² and a population of about 11.46 million people as of 2012.

10 Central Intelligence Agency (CIA) (2013). *The World Fact Book: Rwanda*

11 National Bank of Rwanda (2014). *Quarterly Inflation Report*. WP01/2013Q4, p.8

12 Ibid; "Chart 20: The current account"

13 National Institute of Statistics of Rwanda (2014), p. xvii

14 Ibid;

15 Ministry of Finance and Economic Planning (MINECOFIN) (2013b). *The annual economic report: Fiscal year 2012/13*, "Table 4: Growth by key economic sector," p.10



Kigali City Tower

Economic growth in Rwanda

Since 2003, the GDP has an average annual growth of around 7%.^{16,17} In 2012, Rwanda's GDP reached just over 7 billion USD, and the GDP per capita stood at 644 USD.^{18,19} However, the real GDP growth slowed down from 7.3% in 2012, to 4.6% in 2013.²⁰ Latest figures show that there is a higher growth in the industrial and service sectors than in the agricultural sector.²¹ Essential reasons for this slowing in 2013 are diverse: (1) the adverse weather conditions which affected agricultural output; (2) the decreasing number of credits to the private sector; and (3) the aid cuts and the delayed impact of the suspension of aid.

The service sector was especially affected from the aid shock. In addition, on-and-off supply shocks are coming from seasonal shortfalls in food production and occasional interruptions in energy supply. Furthermore, the Rwandan Franc (RWF) recorded a nominal depreciation against the USD. With the overall objective to become a knowledge-based economy, the Rwandan Government is interested in building up a well-running, competitive banking sector, but currently the sector is still dominated by only a few large banks with shares between themselves in loans, deposits, and assets. In order to combat these shortfalls and to reduce dependency on agriculture exports and to strengthen the service sector, the Rwandan Government strongly supports the conference business, technology, education, and tourism. Furthermore, while there are obstacles, positives have also occurred in recent years, like the reduction of the inflation rate to single digits. The headline inflation rate of 3.7% at the end of 2013 was the lowest among all East African countries; neighbouring Tanzania and Kenya had to cope with 5.6%, and 7.2%, respectively.²²

“Achieving this [economic transformation] means putting more emphasis on self-reliance, which in turn means increasing productivity at every level – individual Rwandans and the private sector, taking full ownership of the strategy and working in a more coordinated manner.”

16 National Bank of Rwanda (2014). Quarterly Inflation Report. WP01/2013Q4, p.3

17 In general, economic growth in emerging and developing countries remains high with an annual increase around 5%. Compared to this forecast, with an annual growth of 7% to 8%, Rwanda has above average economic growth.

18 The World Bank (2014b). GDP Growth (annual %) <<http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG>> Ministry of Finance and Economic Planning (MINECOFIN) (2014). Budget Framework Paper 2014/14–2016/17, p.5

19 Data compared to annual GDP growth of the neighboring countries in 2012: Uganda 3.5%, Burundi 4.0%, Tanzania 6.9% and Democratic Republic of Congo 7.2%. In total, sub-Saharan Africa had an average economic growth of 5.1% in 2013.

20 National Bank of Rwanda (2014). Quarterly Inflation Report. WP01/2013Q4, p.6

21 Ibid; “Chart 13: Real GDP by Expenditure (% y-o-y)”

22 Ibid; p.5.

In recognition of Rwanda's successful management of its macro economy, in 2010 the International Monetary Fund (IMF) granted Rwanda a Policy Support Instrument (PSI). The PSI is designed for low-income countries and supports programmes that are based on country-owned poverty reduction strategies adopted in a participatory process involving civil society and development partners. Rwanda also obtained a Millennium Challenge Threshold Programme in 2008 and is seeking to become the regional leader in information and communication technologies.^{23,24} According to one of the pillars of Vision 2020, Rwanda joined the East African Community in June 2007 and is aligning its budget, trade, and immigration policies with its regional partners.

Challenges for the future

"Achieving this [economic transformation] means putting more emphasis on self-reliance, which in turn means increasing productivity at every level – individual Rwandans and the private sector, taking full ownership of the strategy and working in a more coordinated manner."²⁵ (Paul Kagame, President of Rwanda)

Rwanda's Government is facing several challenges to achieve the envisioned economic transformation. First of all, a major challenge for Rwanda's economy is its fast growing population. With an estimated population growth rate of 2.6 % in recent years,²⁶ Rwanda is expected to have doubled its population from 8 million in 2000 to 16 million by 2020.²⁷ Secondly, due to the naturally poor soil quality, only 52 % of the country's land can actually be used agriculturally.²⁸ This shortage of land for cultivation combined with a prevalent informal sector is a major obstacle against reinforcing the agricultural economy. Still, a lot of people live off of subsistence farming, which means they produce for themselves in order to survive, but do not contribute towards the economic growth of the country. Thirdly, the growing population is a challenge for the already fragile balance of exports and imports. In the case of Rwanda, an increasing population does not automatically mean an increase in economic growth; it does, however, denote a rise in needs. With the

23 Millennium Challenges Cooperation (MCC) (2014). Rwanda Threshold Program

24 The three-year programme is implemented by the American Millennium Challenge Cooperation (MCC) and supports the Rwandan Government's efforts to strengthen civic participation, promote civil liberties and rights and improve the judicial system.

25 The Republic of Rwanda (13 Sept. 2013). "Rwanda launches second economic development and poverty reduction strategy to drive the country towards middle income status." <<http://www.gov.rw/Rwanda-launches-second-economic-development-and-poverty-reduction-strategy-to-drive-the-country-towards-middle-income-status>>

26 Central Intelligence Agency (CIA) (2013). The World Fact Book: Rwanda

27 The Republic of Rwanda (2000). Rwanda Vision 2020, p.4

28 Ministry of Land, Environment, Forests, Water and Mines (MINIRENA) (2004). National Land Policy, p.8

expected population increase, even the aimed economic growth of 7 % will not be enough to develop the country and reduce poverty.

Furthermore, economic growth alone is not sufficient to improve the standard of living for the entire population. As such, economic efforts must endeavour to be inclusive, giving all Rwandans the chance to gain from new unfolding opportunities. Between 2006 and 2011 the percentage of the country's population living below the extreme poverty line has been reduced by about 11 %, to 63.2 %, ²⁹ with a current life expectancy of about 59 years. ³⁰ Despite these overall improvements, economic inequality is still very prevalent; a rich elite established in Kigali benefits much more from the recent strong economic growth than a citizen in a remote village.

The Ministry of Education (MINEDUC) also has a special focus on enabling Rwanda to achieve its national goals of reducing poverty and improving the well-being of its population. ³¹ According to the Education Sector Strategic Plan (ESSP) 2010–2015, which is aligned with EDPRS I and II, and Vision 2020, the mission of MINEDUC is:

“[...] to transform the Rwandan citizen into skilled human capital for socioeconomic development of the country by ensuring equitable access to quality education [...].” ³² (MINEDUC, 2010)

As of 2012, 73 % of the school-aged population was enrolled in primary education. ³³ Around 30 % of the population aged 15 and older still cannot read or write, ³⁴ and in 2013, the government spent 5.1 % of the GDP on education. ³⁵ This data shows that there is still a lack of highly qualified manpower and educational skills on the way to a knowledge-based economy.

In addition, the desired regional cooperation and integration is helping economic growth, but it also makes the Rwandan economy vulnerable to instability in neighbouring states. Even if the infrastructure has improved in recent years, challenges remain, for example no access to electricity and running water in rural areas. Furthermore, lack of adequate transportation linkages to other countries continues to handicap private sector growth.

29 The World Bank (2014a). “World Development Indicators: Poverty rates and international poverty lines.” <<http://wdi.worldbank.org/table/2.8#>>

30 Central Intelligence Agency (CIA) (2013). The World Fact Book: Rwanda

31 Ministry of Education (MINEDUC) (2013). 2012 Education Statistics Yearbook, p.1

32 Ministry of Education (MINEDUC) (2010). Education Sector Strategic Plan 2010–2015, p.1

33 Ministry of Education (MINEDUC) (2013). 2012 Education Statistics Yearbook, “Figure 1: Share of students by level in 2012,” p.6

34 Central Intelligence Agency (CIA) (2013). The World Fact Book: Rwanda

35 Ibid;

Another challenge is to overcome the dependency on foreign aid. Despite the fast growth of Rwanda's economy in recent years, the country remains dependent on development aid. In fiscal year 2013/14 the total amount of budget support and aid funds reached 750.1 million RWF (803.4 million EUR), about 40 % of the current national budget.³⁶

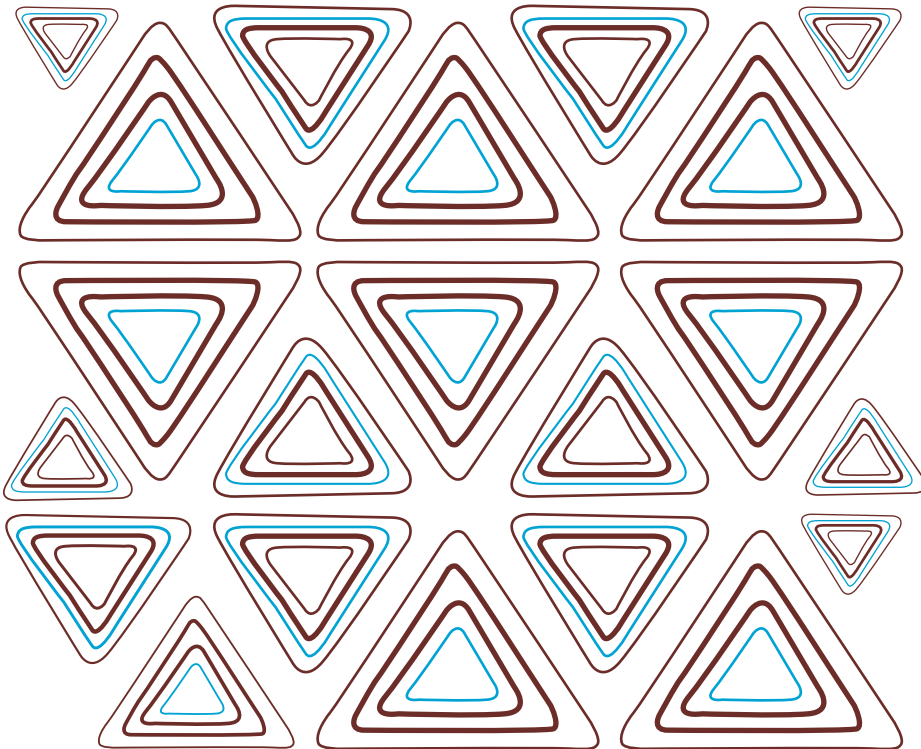
The right way forward?

The economy of Rwanda has two faces. On the one side, there is fast and continuous growth and progress supported by the government's clear vision of transforming the country into a knowledge-based economy and making it a leading nation in East Africa. On the other hand, Rwanda's rural economy is still poverty ridden and often dependent on rural subsistence farming and foreign development aid. It is the challenge for the future to develop the economy in such a way that every Rwandan will benefit from the progress of their country.

36 Ministry of Finance and Economic Planning (MINECOFIN) (2014): Budget Framework Paper 2014/14–2016/17, Table 3: "Resources and Outlays (original and revised budget FY 2013/14)," p.12

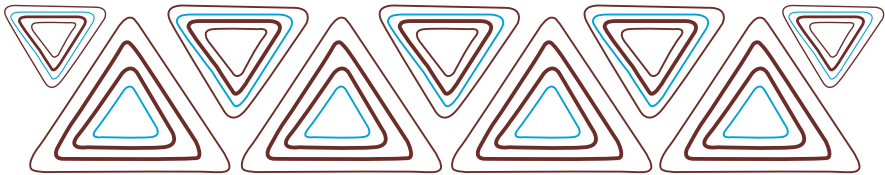


Notion of Decentralisation



He Participates, She Participates, I Participate ... We Decide

by Maia Gedde



Fred Mufulukye, Director General,
Ministry of Local Government

In March 1999, Fred Mufulukye, then a student at the National University of Rwanda (NUR), participated in his country's first local elections which registered a turnout of over 90%.³⁷ Votes were cast for cell coordinators and sector executives by queuing in a line behind their chosen candidate. The first local government elections followed on the 6th of March 2001, where district councillors were voted in using a secret ballot box. "There was excitement among us students," Fred recalls, "for the first time in history, Rwandans were electing their local leaders." Town and district mayors were voted in one week later by the district based electoral colleges comprised of councillors from sector level.

These polls were the most visible first step in Rwanda's national decentralisation process, one of the building blocks of the country's post-war political reconstruction. Fred Mufulukye, now the Director General for Territorial Administration and Governance at the Ministry of Local Government (MINALOC) explained the precursors to the policy: "A key aim of decentralisation was to break the highly centralised administrative machinery that had facilitated the genocide. Citizens had been disenfranchised to the extent that they had to obey orders to kill their own neighbours and relatives, even children. During public consultations in which I actively participated as a student at the NUR – and later researched as an intern for my final dissertation – people from around the country told us that they responded to the orders from the top. Failing to do so was a personal risk. There were no checks and balances in the system and citizens depended on the central structure, which

37 Encyclopædia Britannica. "Rwanda in 1999." <<http://www.britannica.com/EBchecked/topic/514405/Rwanda-in-1999>>

was not delivering. Leaders were not accountable to their people. A radical change was needed not only in how the country was governed but also how the citizens participated in, and related to, the government, and decentralisation was seen as a solution.”

Indeed, the previous regime appointed *bourgmestres* (Belgium term for mayors) who, with unchallenged authority over their fellow *commune* (previous Belgium term for administrative units) members, bore much of the responsibility for implementing the genocide. The new framework of decentralisation was meant to break this structure, establishing levels of collective consultation for decision-making from the bottom level of the state pyramid. The main thrust of the policy was, and is, to ensure equitable political, economic, and social development throughout the country, and to be a cornerstone of the fight against poverty by increasing people’s participation in the planning and management of the development process.³⁸

“I often tell people that decentralisation is a gift from central government to the districts, enabling them to mobilise local resources. They can decide how to best use these resources for development planning in their districts,” says Senator Apollinaire Mushinzimana, who until 2011 was the coordinator of the National Decentralisation Implementation Secretariat (NDIS) – a body created in 2009 under MINALOC to oversee and coordinate the decentralisation process.

“Before we started the process we didn’t have a word in Kinyarwanda for decentralisation. Instead we made it descriptive: *politiki yo kwegereza abaturage ubuyobozi n’ubushobozi*, literally meaning a policy to bring the population closer to the responsibility, power, and resources. This way people start to understand the concept better, but there are still gaps.” For the elder generation, this shift to democratically elected local leaders was difficult to comprehend. “My grandfather in the village still assumes that the mayors are political appointments made in Kigali. The consequence of not understanding that they are voted in is severe, because people will not demand accountability,” says Mushinzimana.

It is true that decentralisation – the transfer of authority and responsibility for public functions from central government to local governments – is a complex and multifaceted concept.³⁹ While the multiple dimensions of decentralisation can be difficult to understand, they can be even more difficult to implement. The Government of Rwanda’s decentralisation blueprint published in May 2000, set out

38 Ministry of Local Government (MINALOC). “Decentralisation Implementation Plan (DIP) 2011–2015.” <http://www.minaloc.gov.rw/fileadmin/documents/Minaloc_Documents/DIP_3rd_Phase_Draft_14.3.11_final_version.pdf>

39 The World Bank (2001) Decentralisation and Subnational Regional Economics. “What, Why, and Where?” <<http://www1.worldbank.org/publicsector/decentralization/what.htm>>

a comprehensive and ambitious decentralisation reform dividing the process into three phases. The first phase of the Decentralisation Implementation Plan (DIP) from 2001 to 2005, aimed at establishing democratic and community development structures at the district level and was accompanied by a number of legal, institutional, and policy reforms, as well as democratic elections for local leaders.

“Before we started the process we didn’t have a word in Kinyarwanda for decentralisation. Instead we made it descriptive: politiki yo kwegereza abaturatione ubuyobozi n’ubushobozi, literally meaning a policy to bring the population closer to the responsibility, power, and resources.”

One of Fred Mufulukye’s tasks when he joined MINALOC in 2004 was to evaluate this first phase of decentralisation. He took part in the administrative reforms and consultations to inform the second phase of decentralisation. He also supported the territorial restructuring, which took place in 2005, reducing the number of administrative entities from 11 to 4 provinces plus the City of Kigali, 106 to 30 districts, 1545 to 416 sectors, and 9165 to 2148 cells. As the administrative entities became bigger, a lower unit – hitherto not a formal structure – was established; this unit, the *Umudugudu* (village), was created to ensure that basic services got closer to citizens. In addition, the government renamed most districts, often reverting to older names of socio-cultural administrative units in order to break with the colonial legacy. Such names were agreed through extensive consultations. As such many districts and towns now have two names, the old and new: Huye was Butare, Musanze was Ruhengeri, and so on.

The second phase of the DIP, from 2006 to 2010, deepened the decentralisation process by enhancing effectiveness in service delivery to communities. In order to build stronger local governments, eligibility criteria for elective positions were made more stringent with emphasis on education levels and leadership capabilities. Now, for one to become a district mayor a university degree is required. “One of the notable observations is that each progressive local election increased the quality of leadership at all levels. Certainly the quality and responsibilities of district mayors presently is far higher than that of the mayors that were elected during the first phase of the process,” Mufulukye observes.

Professor Shyaka Anastase, the Chief Executive Officer (CEO) of the Rwanda Governance Board (RGB) adds “this second phase aimed at consolidating progress on national priorities and saw an emphasis on home grown solutions to respond to our specific challenges. As such we have several community-based innovations here which underpin our local governance. One example is *Imihigo*.” *Imihigo*, i.e. performance contracts, went into effect in 2006. *Imihigo* has its roots in Rwandan

history when warriors would publicly vow to achieve certain goals or, in case of failure, face public humiliation. In modern day Rwanda they are seen as a tool to accelerate implementation of priority programmes and have a strong focus on results. District mayors have written contracts with the president where they commit what they are going to achieve over the year and report back on whether it has been achieved or not.



Professor Anastase Shyaka,
Chief Executive Officer,
Rwanda Governance Board

In 2014, Rwanda is now well into the third phase of the DIP from 2011 to 2015 which focuses on seven strategic areas as they present challenges which are hampering optimal functioning of decentralisation. Hence the focus of this third phase is deepening and consolidating the reform elements. One of the priority areas of the DIP is citizen participation. While the introduction of *Imihigo* has enhanced upward accountability and led to significant achievements in terms of governance, social, and economic development, as well as reinforcing national synergies, coordination and harmonisation, the challenge remains on how to improve downward accountability linkages between local government leadership and citizens. Active citizen participation is vital if decentralisation is to be effective at promoting good governance, at fostering an efficient and accountable administration, which is transparent, and less prone to corruption.

“We have several community-based innovations here which underpin our local governance. One example is Imihigo.”

Professor Shyaka of RGB acknowledges the importance of citizens and civil society as contributors to sustainable development and the emergence of a self-confident society and adds “one of the development partners assisting us in the area of decentralisation and citizen participation is German Development Cooperation.”⁴⁰ The RGB⁴¹ – a public institution with the mission to promote, monitor, and research the practices of good governance and decentralisation – produces a yearly Citizen’s Report Card (CRC), which provides quantitative feedback on user perceptions on

40 The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) has been supporting Rwanda since the decentralisation policy started in 2001. In 2010, the Government of Rwanda introduced the principle of division of labour. Germany was selected as one of the four development partners working in the decentralisation sector, along with the Netherlands, Belgium, and Switzerland.

41 RGB was formed after merging a number of organisations and services, including the National Decentralisation Implementation Secretariat (NDIS) and Rwanda Governance Advisory Council (RGAC).



Building houses with mud bricks, Kigali

the quality, adequacy, and efficiency of public services. This helps to gauge changes in service delivery from a citizen's perspective, but not necessarily their participation.

One programme to help strengthen citizen participation, which Mushinzimana (a Rwandan senator) helped to develop while at NDIS, is the Joint Action Development Forum (JADF). The JADF brings all key players at the district level from Non-Governmental Organisations (NGOs), Community Based Organisations (CBOs), and associations to share what they are working on. "We are focussing on local economic development and this was seen as a way to identify local priorities and act on them, bringing together all relevant players. Here Civil Society Organisations (CSOs) were enabled to advance their positions on poverty reduction and gender equality in dialogue with the districts," explains Senator Mushinzimana.

GIZ has also taken an active role in empowering CSOs to participate in district planning and to monitor local government service delivery and to demand downward accountability. Radio debates, for example, are used as a tool supported by GIZ to strengthening citizen engagement and accountability in the *Imihigo* process. In addition to the focus on civil society, the Decentralisation and Good Governance Programme endorsed by GIZ also focuses on capacity development of local government and fiscal decentralisation.

Capacity development strengthens the individual and institutional capacities of the district administrations, but while capacity of local government is often identified as a challenge to decentralisation, Mushinzimana has another take on this. “Staff at the district level are now recruited in exactly the same way as at the central level, so they meet the same requirements and qualifications as those working at the ministries. Instead the biggest challenge that I see is staff turnover; good people move a lot. Of course they don’t want to be out in a remote district with little infrastructure, they want to be in Kigali, so that is a big challenge.” Improvements of staff retention at the local government level are also a focus of this strategic area of the DIP. Shyaka adds, “one of the biggest problems we have at the district level is that local leaders are overburdened. They have to be multi-taskers, good at problem-solving within the local context. What we are aiming at building are local leaders who have the confidence to come up with their own solutions.” Indeed there is a need to consolidate local government structures and to empower citizens in order to create stronger, more effective local governments that provide demand-based services.

With regards to fiscal decentralisation, one of the challenges, says Shyaka, “is that the decentralisation of services has gone faster than that of resources, which is currently at about 30 % of national budget, so budgets don’t match. Our focus now on fiscal decentralisation needs to be on increasing own sources of revenues of districts and with a matching increase in responsibility of the district assemblies, in order to justify revenue collection through service delivery. Here GIZ is supporting the implementation of a legal framework for local revenues which contribute to increased own revenue of the districts.”

“GIZ has also taken an active role in empowering CSOs to participate in district planning and to monitor local government service delivery and to demand downward accountability.”

So for the average citizen, does decentralisation actually bring the population closer to the responsibility, power, and resources, as it is described in Kinyarwanda? “Yes. From the political standpoint, citizens have been greatly empowered to be able to solve their own problems, and to participate in governance at any level. Citizens now feel government is closer to them and they are part of government,” Fred asserts emphatically. “Indeed decentralisation has provided a platform for many Rwandans to ascend to leadership at the local and national level,” he adds. “From the administrative perspective, services are now closer to citizens, and people no longer need to travel to Kigali for basic documentation: birth certificates, identity cards, marriage registration, because all these can be obtained at the sector level. Services

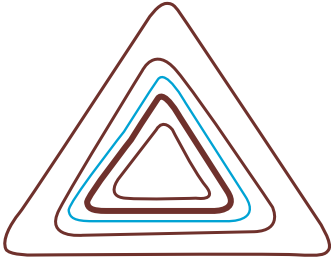
are much faster now; before, it used to be all centralised.” Fred is also convinced that citizens can go to the district and ask to see how it is spending their money.

“The interesting thing is that when we started, we were learning from other countries. We visited South Africa, Sweden, Ghana, and Kenya to see how they were doing things. Now many countries are visiting us to learn from our experience.”

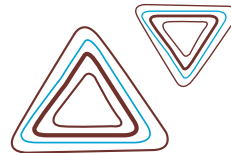
Rwanda Governance Board Head Professor Shyaka asserts that, “citizens can influence and contribute to local governance and development, have a say in what they want to see done, to express their aspirations of what public authority should do for them, but also have an opportunity for them to serve their nation. Decentralisation aims at allowing citizens to identify their needs, develop strategies to meet them, and influence where the local governments spend their money.” Furthermore, at election time, they can vote local leaders out if they are not satisfied by the services.

“The interesting thing,” reflects Fred, “is that when we started, we were learning from other countries. We visited South Africa, Sweden, Ghana, and Kenya to see how they were doing things. Now many countries are visiting us to learn from our experience. We recently had delegations from Kenya, Lesotho, Uganda, Sierra Leone, Togo, Burundi, to mention but a few, and they tell us we are ahead,” he says proudly.

So can Rwanda’s decentralisation be called a success? Indeed it is remarkable to see what has been achieved in the country in such a short space of time, given where the country emerged from after 1994. But one is prompted also to ask, what the future will hold? Will we see a fourth phase of decentralisation?

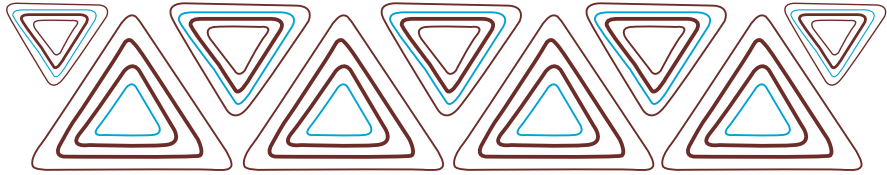


“From the political standpoint, citizens have been greatly empowered to be able to solve their own problems, and to participate in governance at any level. Citizens now feel government is closer to them and they are part of government.”



Fine-tuning Decentralisation in Rwanda – Another Phase?

by Dr. Alexander Wegener



Decentralisation – A catchword of state reform

Decentralisation is a rather broad concept, and depending on different ideas as well as people's demands of the role of local government in a state structure, decentralisation may have very different outcomes. Thus, decentralisation not only requires a clear understanding of the future role of local government, but also a lively civil society to control the process and outcome of decentralisation.

Decentralisation is a multifaceted concept that involves a transition from a governance structure where power, resources, and capacities are centrally concentrated to a governance structure in which they are dispersed to sub-national actors.⁴² Despite the term being widely used, there is no uniform clear definition of what decentralisation is and what makes decentralisation successful or fail in a given national context.

Decentralisation has become, nevertheless, a catchword of state reform in developing countries, as well as in countries in transition. Sub-Saharan African countries have undergone decentralisation processes in the last decades. It is estimated that roughly two thirds of all countries have started decentralisation processes,⁴³ often with poor results.⁴⁴ The objectives, the speed, as well as the outcome of decentralisation processes differ extremely between the various countries. "However, two key objectives of most decentralisation intentions and programmes are: (1) to improve

⁴² A good resource book on decentralisation has been published by the Commonwealth Secretariat, Alam & Scott 2011.

⁴³ In general see Tordoff 1994, Work 2002, Smoke 2003, and Ouedraogo 2003; for Mozambique see West & Kloeck-Jenson 1999; for Tanzania see Venugopal & Yilmaz 2010; for Uganda see Onyach-Olaa 2003 and Ojambo 2012; for Zambia see Tordoff & Young 1994; for Zimbabwe see Conyers 2003.

⁴⁴ Conyers, D. (2007). "Decentralisation and Service Delivery: Lessons from Sub-Saharan Africa." IDS Bulletin. 38(1), p. 18–32

the provision of public services; and (2) to empower local citizens and institutions for self-governance.”⁴⁵

The notion of decentralisation is nowadays also closely connected with governance. Governance is a term describing a mix of steering mechanisms of hierarchy, market, and solidarity, whereby the mix differs from country to country. The key to governance is, however, the understanding that public service production requires more than just one dominant steering mechanism, hierarchy, or rules executed by state authorities. Markets are also needed to denominate the boundary between private and public service provision, especially de-coupling the notion that public services do require to be produced exclusively through public entities. Solidarity or community-driven steering mechanisms are needed to improve effectiveness and to encourage local populations to take ownership of their local bodies.

Decentralisation requires civil society not only to overcome excessive hierarchical control, but also to make decentralisation work through accountability demands by the civil society. This being said, decentralisation in sub-Saharan Africa needs carefully selected approaches taking into account the capacity of civil society in demanding accountability, as well as the capacity of state authorities in establishing and enforcing the rule of law.

Downward accountability – the accountability of primarily the local council towards its residents – is aiming to empower local populations to control local elites, and should be supported by institutionalised participatory and decision-making rights of local citizens and consumers. The balance between representative and direct democracy elements in local government is crucial. Decentralisation must not replace representative democracy, but decentralisation may imply elements of direct democracy.

In many countries, incentives for bureaucratic actors and local leaders to transfer meaningful functions and control downwards are weak or non-existent within current governance structures, which centralises political power and emphasises hierarchical, sector control over decision-making and resources.⁴⁶ In addition, party systems have a large influence on the extent of decentralisation.⁴⁷

45 Kathyola, J., & Job, O. (Eds.) (2011). *Decentralisation in Commonwealth Africa: Experiences from Botswana, Cameroon, Ghana, Mozambique and Tanzania*. London: Commonwealth Secretariat, p. 1

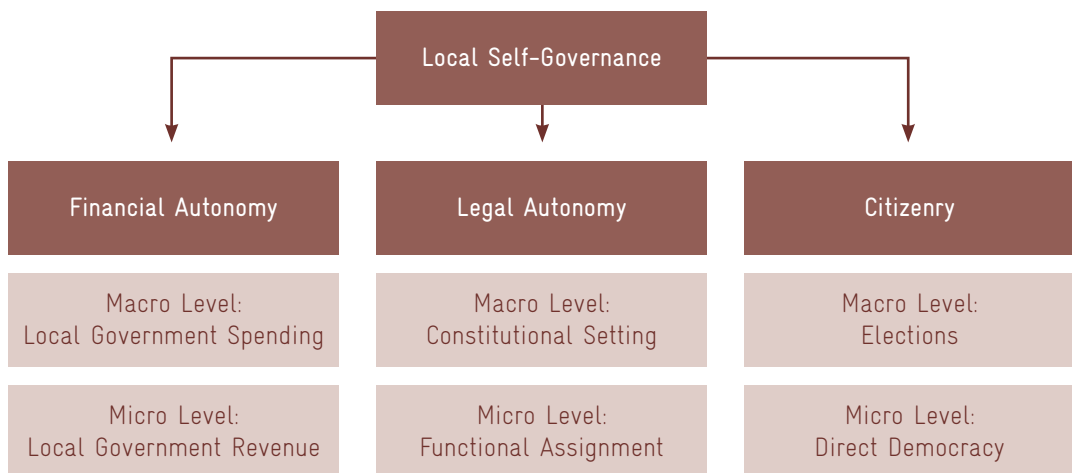
46 See for example Fritzen 2006 for the case of Vietnam.

47 Riedl, R. B., & Dickovick, J. T. (2013). *Studies in Comparative International Development*. "Party Systems and Decentralization in Africa." <http://people.tamu.edu/~kdionne/MGAPE/papers/riedl_02.pdf>

Decentralisation needs a common understanding of what local government is for: are local entities just service delivery points, or are local entities a forum for community decision-making?

Decentralisation concepts

The idea of local autonomy favours devolution of power, rejects deconcentration, and allows a minimal amount of delegation. “The institutional structure that defines the relationship between central government and sub-national governments or organisations in terms of authority, responsibility, accountability, and finances has diverse forms. The degree of control or autonomy that sub-national governments have on these issues determines the form of decentralisation that is practised, from low density (lesser degree of control) to a high density (greater degree of control).”⁴⁸ The following chart shows three key elements of local self-governance as a result of successful decentralisation.



Elements of local self-governance (own diagram)

48 Kathyola, J., & Job, O. (Eds.) (2011). *Decentralisation in Commonwealth Africa: Experiences from Botswana, Cameroon, Ghana, Mozambique and Tanzania*. London: Commonwealth Secretariat

To determine the extent of local self-governance, some criteria can be used:

- the share of local government spending in relation to central and regional government spending, excluding insurance-based social security systems (macro-level of financial autonomy);
- the share of local government taxes in relation to total revenue composition (micro-level of financial autonomy);
- the existence of key principles of subsidiarity within the constitution (macro-level of legal autonomy);
- the share of exclusively assigned functions in relation to scope of responsibilities of local government (micro-level of legal autonomy);
- the existence of elections for local councils (macro-level of citizenry); and
- the existence of elements of direct democracy on local level (micro-level of citizenry).

These three elements and the proposed six key indicators might guide decentralisation support. Why these three criteria? The following three sections justify the selection of these elements of local self-governance.

Citizenry: Empowerment of local populations

Decentralisation requires an effective control of the local population on local council decisions and local administration. Downward accountability replacing excessive central government control and intervention needs an active ownership of the local population and their civil society organisations.

Decentralisation sometimes “romanticises local communities and downplays questions of exploitation, inequality and dominance” (see a case study from Mali by Hetland 2008), while the importance of local communities and accountability measures is well known.⁴⁹ Decentralisation requires strong accountability mechanisms, as decentralisation results also in decentralised corruption opportunities.⁵⁰ Accountability must not be an exclusive function of a supervisory body, but a key function towards the civil society.

In the case of Rwanda, local councils are corporatist arrangements and not necessarily elected. The role of “decentralised administrative entities” is to ensure compliance with national policies: “[...] the findings from a) the comparison of local official and community priorities, and b) citizens’ knowledge and use of local

49 Crook, R. C. (2003). Public Administration and Development. “Decentralisation and poverty reduction in Africa: The politics of local-central relations.” 23(1), p.77–88

50 Fan, C. S., Lin, C., & Treisman, D. (2009). Journal of Public Economics. “Political decentralization and corruption: evidence from around the world.” 93(1), p.14–34

structures reveal no evidence of representation or accountability at district level where plans and policies appear heavily influenced by national prerogatives, and where senior political figures are, paradoxically, both elected through the official system and strategically selected at national level.”⁵¹

Furthermore, participation is limited, “[...] although there is much talk among officials and commentators about bottom-up planning processes emanating from local village meetings [...], and while such an ethos underpins the original Decentralisation Policy formulated in 2001, the accompanying legislation is somewhat scant in its references to such a form of participation as well as to mechanisms whereby this might take place.”⁵² Civic education and civil society support must empower both local bodies and local populations: there is a need to strike right balance between corporatism, the taking-in of civil society organisation, and the responsibility of elected bodies and their administrations.



Sign next to a school, Njaborongo Valley

51 Gaynor, N. (2013). "Decentralisation, Conflict and Peacebuilding in Rwanda," p. 1 <doras.dcu.ie>

52 Ibid;

Local community capacity building must always be linked to both legal and fiscal decentralisation policies, processes, and prospects. Support to civil society alone, neglecting their function in effective decentralisation, will never have an impact on self-governance of local communities.

Financial autonomy: Fiscal decentralisation

There is no political decentralisation without fiscal decentralisation. Fiscal decentralisation requires first to reconsider revenue assignment before designing new systems of intergovernmental fiscal transfers.

A key to successful decentralisation is local government funding.⁵³ Whereas principles of fiscal federalism would suggest that local government should be able to fund their services through local revenues, the reality worldwide is very different.⁵⁴ Decentralisation is bringing the issue of municipal finance to the fore, and there are many good examples on how to improve local government finance.⁵⁵ Having meaningful taxes allocated to local governments is essential for both empowering local councils, as well as to increase responsibility and accountability.⁵⁶ Focus in most countries, however, is not their own sources of revenue,⁵⁷ but intergovernmental fiscal relations.⁵⁸ Nonetheless, to increase responsibility and responsiveness of local councils, they need to govern their own sources of revenue. Intergovernmental fiscal transfers are always second best solutions only, similar to shared taxes. User charges and administrative fees should never constitute a source of revenue; user charges should cover costs, and administrative fees should partially cover cost associated with legal documents the citizen is required to have.

A risk in many countries is a decoupled process of administrative and fiscal decentralisation: line ministries often are more reluctant to decentralisation processes, as it might reduce bureaucrats' control over local entities. Finance ministries, on the other hand, are often more open to decentralisation to speed up fund transfers to implementing bodies.

53 de Mello, L., & Barenstein, M. (2001). "Fiscal Decentralisation and Governance: A Cross-Country Analysis." Working Paper, p.71

54 In general see United Cities and Local Governments 2011b, Devas 2008, Bahl & Linn 1994, and Bird & Vaillancourt 1998; for South Africa see Momoniat 2001; for Tanzania see Fjeldstad 2001a; for Central and Eastern Europe see Ševic 2008.

55 See for example the resource book by Devas et al. 2004.

56 See for example a case study from Indonesia by Kelly 2004.

57 Bird, R. M. (2010). Subnational Taxation in Developing Countries. A Review of the Literature (5450). Washington: World Bank. <http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1694929>

58 Fjeldstad, O.-H. (2001). "Intergovernmental fiscal relations in developing countries. A review of issues." (2001:11) Bergen: Chr. Michelsen Institute.



Rwandan woman from a village, Nyamagabe District

Legal autonomy: Local self-governance

Even if law enforcement and rule of law are yet to be developed in a number of sub-Saharan countries, the legal setting is crucial for the conception of local government and to deepen the understanding for the rule of law.

A study by Jungmann & Wegener (2005) revealed that those countries in which local governments enjoy much legal and financial autonomy have few local government legislative acts and often, there is little mentioning of local government in the constitution. Legal autonomy is not linked with the amount of legislation, but more with the actual functional assignment. Most sub-Saharan countries have enumerated the functions of local bodies, often rather narrow, and frequently even these few functions are not respected when it comes to implementation.

Legal autonomy has to address major problems: first, to establish a sound legal framework for local self-governance; and second, to strengthen the capacities of local governments as institutions make use of their rights and duties, especially when it comes to supervision and state interference into local government spheres.

Organising successful decentralisation support in Rwanda: A summary

Rwanda claims to be in a third phase of decentralisation. As decentralisation is a rather undefined and general term, the question is what kind of decentralisation was

initially pursued, and how this decentralisation idea was or is being implemented by the various ministries and agencies.

The decentralisation process so far

Phase I (2000–2005) of the decentralisation process in Rwanda introduced a territorial reform. Sous-prefectures, a state-controlled administrative layer, were abolished and communes (previous Belgium term for administrative units) were replaced by districts. In phase II (2006–2010), the number of provinces was reduced from 11 to 4; districts from 106 to 30; sectors from 1,545 to 416, and cells reduced from 9,201. The administrative roles of these territorial entities were also redefined during this phase by removing the autonomy of provinces and transferring the principle coordinating and financial functions to the districts. “Notably, this phase witnessed a concerted shift from political to administrative functions with a marked emphasis on increasing the administrative capacity of local authorities as the aim of decentralisation shifted from reconciliation to economic development and service delivery.”⁵⁹ Phase III (2011–2015) aims “to deepen and sustain grassroots-based democratic governance and promote equitable local development by enhancing citizen participation and strengthening the local government system, while maintaining effective functional and mutually accountable linkages between central and local governments entities,” according to the revised decentralisation policy published by MINALOC (2013).

A summary of the Decentralisation Policy in Rwanda shows that Rwanda chose to improve service delivery, but not necessarily to establish local self-governance.⁶⁰ Decentralisation is not necessarily targeting local self-governance, thus the idea of local autonomy over functions, funding, and evaluation of locally produced and consumed services is not yet much developed. The new Law N° 87 of 2013 gives supervisory bodies large influence on local government decision-making, as there are few functions assigned to districts, sectors, and cells.

“The large number of government bodies will make sector decentralisation a major challenge – including the questions of who is doing what at which level with what kind of discretionary decision-making. Decentralisation is a long process, and it may take other phases to create viable local self-governance in Rwanda.”

59 Gaynor, N. (2013). “Decentralisation, Conflict and Peacebuilding in Rwanda,” p.23 <doras.dcu.ie>

60 United Cities and Local Governments (2011a). “Decentralisation and Local Democracy: East Africa Region.” Barcelona: United Cities and Local Governments

Successful decentralisation support needs to address all three elements (citizenry, financial and legal autonomy) of local self-governance. While the elements itself are often to be found in decentralisation support programmes, the difficulty is to link the three elements into a coherent and consistent approach of decentralisation support.

The decentralisation yet to come: A conclusion

Rwanda needs to have a clear understanding of what should be delivered at which level of government. There are many, if not too many, layers of government and administration. While villages are considered to be the major layer of participation, few functions are assigned to villages. Districts are politically more important, but service delivery is supposed to be on sector, cell, and village level. Cities and towns are not defined, except for the City of Kigali. While there is progress in fiscal decentralisation, the process of establishing a viable legal framework is yet to come; the Law N° 87 of 2013 is a milestone, but missing out key questions on subsidiarity, functional, and revenue assignment. Furthermore, the large number of government bodies will make sector decentralisation a major challenge – including the questions of who is doing what at which level with what kind of discretionary decision-making. Decentralisation is a long process, and it may take other phases to create viable local self-governance in Rwanda.



Youth workshop, Nyamagabe



Young soccer players at youth center, Kigali

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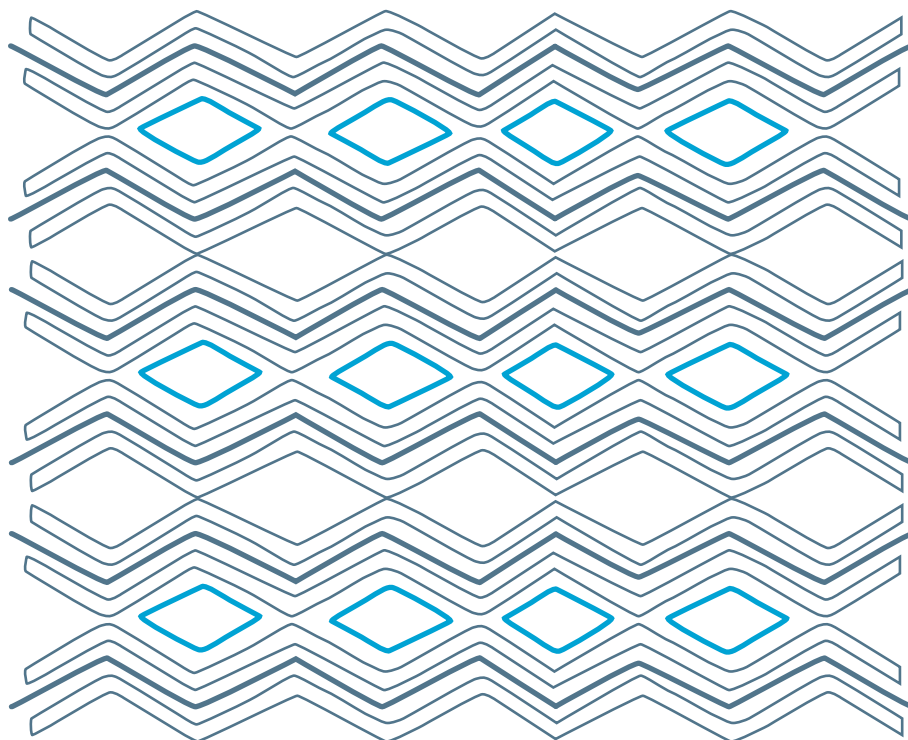


Decentralisation in Practice

3.1 CAPACITY DEVELOPMENT

3.2 FISCAL DECENTRALISATION

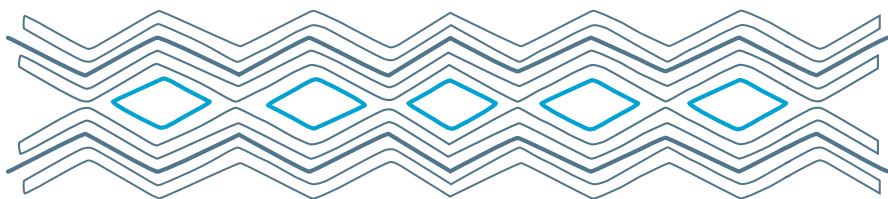
3.3 ACCOUNTABILITY AND PARTICIPATION



CHAPTER 3.1

Rwanda's Local Government Capacity Development in Focus

by Laurent Messiaen, Faustin Minani, and Vaclav Prusa



Capacity development in Rwanda

The meaning of the concept “capacity” as applicable in Rwanda is defined in the following words by President Paul Kagame:

“Capacity or ‘the ability to get things done’ goes beyond formal qualifications and technical skills development to include the cultivation of intangible or ‘soft’ attributes such as the ability to drive change and to build processes, organizations, and institutions which can deliver public services over the long term.”⁶¹

After the 1994 genocide and the war that ravaged the country, Rwanda went through different phases of reconstruction and development. During the initial emergency phase, the Government of National Unity focused on security, rebuilding public administration, assuring rule of law, fighting impunity, promoting reconciliation, resettling refugees, and reconstructing social infrastructure. Once these foundations were in place, the Government of Rwanda embarked on economic recovery and good governance, including public service reforms. Hence, the decentralisation process and the consolidation of local governments were initiated. Also, more infrastructure was developed at the local level and local elections were held. The following development-oriented phase, with the major goal to make

61 LenCD. Learning Network on Capacity Development. “Capacity: What is it?”
<<http://www.len.cd.org/learning/core-capacity>>

Rwanda a middle income country – thus converting the agricultural-subsistence economy into a knowledge-based one – is still ongoing.⁶²

Results and accountability imperatives for the local administration

Rwanda's decentralisation transferred considerable responsibilities and resources to the local level. The local administration gradually developed its ability to manage a substantial share of the state resources and responsibilities. In line with the government's decentralisation policy to "promote and ensure effective citizen-centred service delivery," service delivery has never been closer to citizens in Rwanda than today.⁶³ Most services are now delivered at the level below the district.⁶⁴ In a view to reinforce improved service delivery and citizen participation in the development process, accountable governance forms one of the four thematic areas of the country's second Economic Development and Poverty Reduction Strategy (EDPRS II).

"Rwanda's decentralisation transferred considerable responsibilities and resources to the local level. The local administration gradually developed its ability to manage a substantial share of the state resources and responsibilities."

Performance contracts (*Imihigo*) were initiated in 2006 to make local governments and administrations more effective and accountable in their implementation of national programmes and to accelerate socio-economic development.⁶⁵ Staff members of the local administration also sign *Imihigo* with their managers.⁶⁶ This creates high expectations of local governments and the local administration as the main contact point between citizens and the state for the delivery of public services, thus highlighting the need for capacity development at the local level.

The capacity development response

Since 2012, all Rwandan public institutions must conduct regular capacity needs assessments and create capacity development plans in the framework of the annual

62 Communication by the Rwandan Minister of Public Service and Labour (24 March 2010). Tunis, Tunisia. <<http://www.afdb.org/en/news-and-events/article/african-heads-of-state-high-level-panel-discussion-on-building-capacity-in-post-conflict-countries-6430/>>

63 Ministry of Local Governments (2013). Governance and Decentralisation Sector. "Sector Strategic Plan," p.4

64 See Chart 1.

65 The use of *Imihigo* was later extended to all levels of government.

66 Rwandapedia (2014). "Imihigo." <<http://www.rwandapedia.rw/explore/imihigo>>



Youth workshop, Nyamagabe

planning and budgeting cycle. The National Capacity Building Secretariat (NCBS) designed a clear approach and a set of simple tools to this effect. In practice, an in-house capacity building committee undertakes a capacity needs assessment by identifying performance challenges preventing the achievement of the organisation's objectives and targets, and develops a related capacity development plan. The needs assessment is performed for a period of five years and updated annually to capture changes that occurred. The capacity development plan is developed annually and becomes part of the annual action-plan of the organisation.

For the past few years, stakeholders of the decentralisation sector have identified problems in early capacity development efforts, such as:

- capacity development activities being supply-driven rather than based on the beneficiaries' needs;
- capacity development activities being generally limited to the individual level (training) whereas some of the key challenges were rather at the organisational level and in the local governments' institutional environment;
- the absence of mechanisms to coordinate capacity development initiatives and to monitor their quality;

Although the Ministry of Local Government (MINALOC) had elaborated strategies⁶⁷ to address the problems,⁶⁸ the instruments to translate these in practical terms were often missing. NCBS's initiative resulted in solutions to this challenge. All 30 districts produced five-year capacity development plans in 2012/13. Common priorities were identified at institutional, organisational, and individual levels.⁶⁹ Annual capacity development plans were subsequently prepared for the 2013/14 and 2014/15 financial years.

“Local administration employees now understand core notions of capacity development and are better equipped to conceive meaningful capacity development activities.”

Common key areas for improvement identified in districts' five-year capacity development plans at the institutional level are: the awareness of the local administration's legal framework, the adequacy of this framework, and knowledge of district council members on issues related to their responsibilities and in technical areas. At the organisational level, the areas for improvement are the district organisational structure, filing and documentation systems, infrastructure and equipment, data collection and management systems, human resources management systems, planning, monitoring, and evaluation systems. At the individual level, areas common to two thirds of the districts are: human resource management, leadership, monitoring and evaluation, filing, customer care and service delivery, public financial management (including procurement, finance planning, and accounting), conflict management and resolution, as well as participatory planning, project design and management, among others.

The government's direct response to these plans consists in provision of training support to civil servants of the local administration. In 2013/14, the NCBS allocated 825,000 EUR for 239 training activities, representing 35 % of all individual level capacity development activities requested by districts. The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) supported selected activities from the districts' capacity development plans.⁷⁰

67 Ministry of Local Government (2013). Governance and Decentralisation Sector. "Sector Strategic Plan"

68 Ministry of Local Government (2010). "Five-year capacity building strategy for local governments"

69 Rwanda Governance Board (2013). "Local Governments Common Capacity Building Priorities"

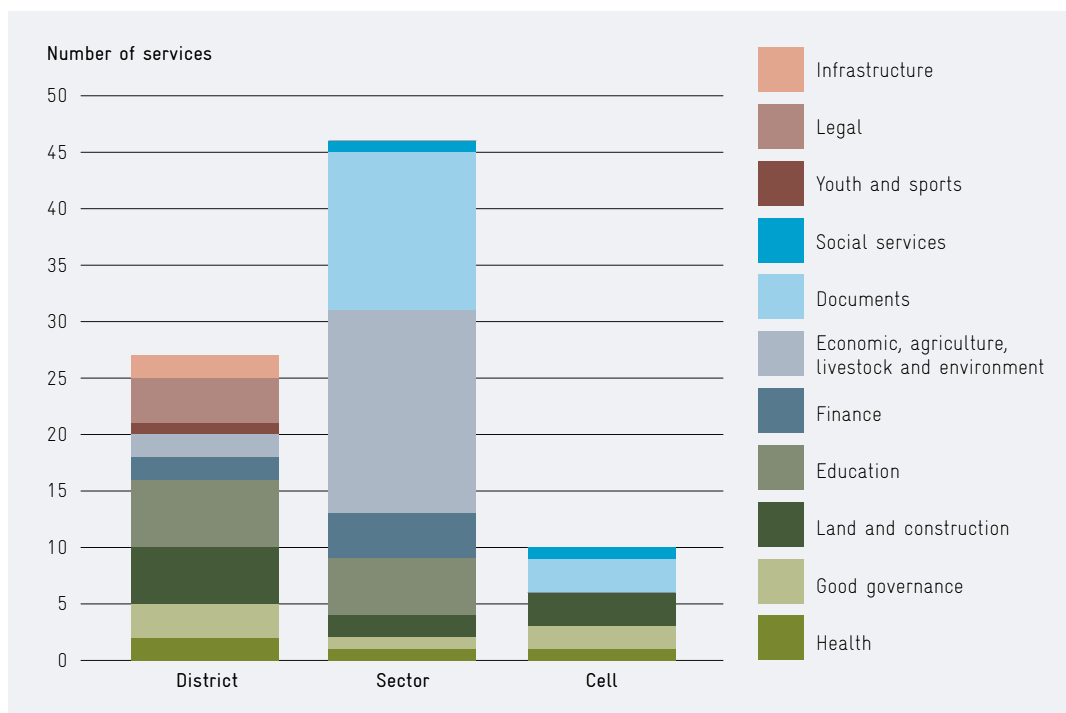
70 Statistics come from GIZ own analysis, based on information provided by NCBS.

Local administration employees now understand core notions of capacity development and are better equipped to conceive meaningful capacity development activities. Local level civil servants regularly interact with their key central government counterparts in this area. This provides the opportunity to fruitfully address current challenges in implementing the districts' capacity development plans.

First, plans are often not entirely realistic in terms of activities and budgeting, indicating a difficulty in strategising capacity development in function of objectives and targets. In addition, they often concentrate on management rather than service delivery functions, meaning that the trickle-down effect in improving service provision to citizens is indirect, at best. Secondly, a broad diversity of actors with limited expertise in capacity development (sector ministries, agencies, NGOs) offer trainings and other capacity development measures to local governments. Quality standards remain generally limited and activities do not always address the needs. Thirdly, although initiatives are taken to address needs of local governments at the organisational and institutional levels, local stakeholders often have limited information about such activities. For instance, streamlining the legal and institutional framework for local governments, or revising their structures, is essentially done at the central level.

Key responses to those challenges were identified in the decentralisation and governance sector's strategic plan. They include the creation of a pooled fund for local government capacity development, the establishment of a Local Government Institute for capacity development, and the clarification of the respective responsibilities of central and local government institutions in the different sectors (such as education, health, or infrastructure). GIZ provides technical assistance to the Government of Rwanda in these areas.

The service delivery charters for the local administration present services offered by the different layers of the local administration in a simple, practical way, including information on the modalities for receiving each service. This is useful both for citizens and the local administration staff. Standard charters developed by MINALOC and the Rwanda Governance Board (RGB) include more than 80 services. The modalities for delivering each service is clearly stipulated, including which office to go to, the procedure and requirements, and timeframe for delivery. *The diagram below* presents the service areas per level. As a result of efforts by the government to put services closer to the citizens, most services are now delivered at the sector level rather than at the district level.



Services at district and sub-district levels

Source: Ministry of Local Government (2013). "Local Government Service Delivery Charters."

Beyond the service delivery charters, a fundamental limitation to the local administration's performance lies in the limited harmonisation and coherence of its legal and institutional framework. Decentralisation is not adequately reflected in sector laws and regulations. Numerous local level activities remain largely managed by central level institutions, even if local governments hold partial responsibility for them.⁷¹ The prime minister's office and RGB are preparing regulatory measures towards a clarified functional assignment between the central and local level, streamlined with the decentralisation framework. As a step in this direction, the government supported by GIZ is developing a Prime Minister's directive determining the procedures, roles, and responsibilities for the determination of functional and expenditure assignments.

Local administration employees now understand core notions of capacity development and are better equipped to conceive meaningful capacity development activities.

71 Rwanda Governance Board (2014). "Review of the sectoral legal and policy framework versus the decentralisation process (draft report)"

The way forward

Local government capacity development has many inter-related dimensions. Evolutions in specific areas require reforms in other parts of the system to be sustainable. Considerable progress has been made in the last few years; local governments have come a long way in understanding capacity development and its relevance to their reality. They show an increased readiness to make it work at the local level and to link capacity development to planning documents and performance contracts. Central government increasingly understands challenges at the local level and gradually responds to them. What matters is continuous improvement through effective implementation of the capacity development plans over a mid-term period, together with problem-solving initiatives for challenges emerging on the way.

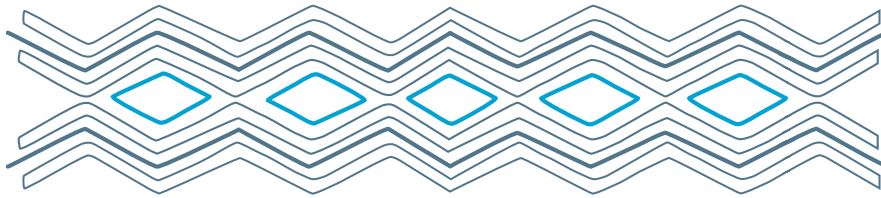
“Considerable progress has been made in the last few years; local governments have come a long way in understanding capacity development and its relevance to their reality. They show an increased readiness to make it work at the local level and to link capacity development to planning documents and performance contracts. Central government increasingly understands challenges at the local level and gradually responds to them.”



University students, Butare

Rwanda's Districts – Agents of Change for Decentralisation

by Jenny Clover



“In the last 13 years that we have had a decentralised system, local government units have truly become engines of social and economic transformation.” – Paul Kagame, President of Rwanda.

Local government districts help transform the country

President Kagame sees the decentralisation process his country has undertaken since 2000 as a success, with local government districts becoming agents of change and helping to transform the country. But perhaps more interesting is how the districts themselves see the progress. The local districts, after all, are the ones tasked with overseeing and implementing the rapid process of devolution in an extremely challenging environment, where lack of capacity is a real hindrance. So how do these districts feel the process is working?



Théogène Karake, Executive Secretary, Rwanda Association of Local Government Authorities

Representing the views of districts is the Rwanda Association of Local Government Authorities (RALGA). Founded in 2003 and based in smart, purpose-built offices on the outskirts of Kigali in Masaka, RALGA is headed by Executive Secretary Théogène Karake, who is heading RALGA's attempts to professionalise the work of the districts and expedite the decentralisation process. RALGA is also responsible for advocating on behalf of local districts, so who better to ask about their views on the matter than Karake.

Working alongside development partners including the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) as well as the Dutch embassy, the United Nations Population Fund, the European Union, and the Global Fund, RALGA has helped Rwanda's districts make significant headway with the decentralisation

process, particularly in the area of capacity building, and claims that districts feel positive about the progress they have made.

Speaking in his spacious, modern office overlooking one of Kigali's new housing developments, Karake said, "The districts are enjoying their autonomy and the successes are evident and numerous. They have made tremendous progress and are happy with what they have done. They really believe in decentralisation. Although there are still some challenges, they know this and are happy to be the ones leading the process."

For the districts, key to the success of decentralisation is the fact that they know the population they are serving. "Districts are closer to the general population and they are the ones who know better than anybody else, including central government, what they need," said Karake. "We believe one of the best things about it is that it is owned by the population. Above all, this element of local democracy, which is being entrenched in them is a very positive thing."

Successes within the decentralisation process

While never an easy process, significant successes within decentralisation in Rwanda are palpable. From a renewed focus on capacity building to financial and administrative autonomy, the districts have seen improvements. According to Karake, district leaders see their successes in four main areas:

"Having the ability to collect their own taxes has made a vast difference in how the districts manage themselves and how the public sees them. According to the districts, it is one of the most important elements of decentralisation and has empowered them to better run their organisations."

The restructuring of territories

In 2006 Rwanda carried out large-scale territorial restructuring, merging many of its governing structures so that the number of districts reduced from 106 to 30, and provinces reduced from 11 to 5. This made them more economically viable and better able to build up resources. "That was a big step in the decentralisation process and has shaped everything we did afterwards," explains Karake. "The districts became bigger entities with bigger visions and they began to be able to run programmes with autonomy, with the support of central government and the development partners. Although it was an early step it has been incredibly important to the decentralisation process."

Autonomy

Having the ability to collect their own taxes has made a vast difference in how the districts manage themselves and how the public sees them. According to the districts, it is one of the most important elements of decentralisation and has empowered them to better run their organisations.

The average annual budget of a district in Rwanda is around 10 billion Rwandan Franc (RWF) (approx. 10.5 million EUR), which comes from different sources including taxes levied, contributions from central government, and financial support from different development partners. Districts say this is vital because they are best placed to know how money should be spent in their different geographical areas. They also point out they are more accountable because they are monitored from above and below.

“In the field of administrative autonomy, the districts say they have made ‘tremendous progress.’ They feel more empowered and better trained to make decisions, which means they are more confident in the process.”

Karake clarified, “A huge amount of money was transferred to local government to implement government programmes because at the local level there is double accountability – they are accountable to the local populations but they are also accountable to central government.” While the process has not been quick or easy it is largely successful, to the extent that it is now being decentralised even further to give sectors similar financial autonomy.

In the field of administrative autonomy, the districts say they have made “tremendous progress.” “They feel more empowered and better trained to make decisions, which means they are more confident in the process,” explained Karake. “Now they are also able to hire and fire staff without the interference of central government, including the senior executive officer of any local government entity. This is an important move forward for districts and they relish the opportunity to prove themselves in this way.” While not able to make all decisions relating to the way they govern, districts have been enabled to increase salaries up to 30 % of the current level, if their revenues allow it.

Engagement of the population

“Everyone is asking ‘can we have electricity here? We want a road here’ and that is great because it means people own the decentralisation process and understand they should contribute to the development agenda,” says Karake, when asked about the engagement of the public. While not enough people are aware of the decentralisation process, participation is growing, he added. “The local government

leaders need the support of the population and we must work to make sure it is 100 %. They feel that without this support and encouragement decentralisation might not be a success.”

Capacity building and the Local Government Institute

Ask anyone involved in decentralisation what the biggest challenge is, and all will give the same answer: it is the lack of well-trained, capable staff and leaders at the local level to take on devolved functions. That is no small challenge to overcome in a country without a history of decentralised government, and where the best and brightest traditionally go into central government.

“We want to encourage people to stay in local government for years and to have the ability to learn and move up within the chain. Being ever the optimist, I always say the future is in local government.”

The challenge has been taken seriously by central government leaders, RALGA, and Rwanda’s development partners. As a result, and with substantial support from GIZ, RALGA has been developing a Local Government Institute (LGI) since 2012. The institute will offer tailor-made courses specifically designed to address local government challenges to some of Rwanda’s 20,000 district staff, in a bid to increase capacity.

Karake is frank about the deficiencies in local government staff at the moment. “The capacity gaps are there in every sector, be it in agriculture, economics, or infrastructure. The mission of the LGI is to address that issue, which is critical. It’s of paramount importance to come up with a fully-fledged institution that deals specifically with local government matters.”

The institute would also act as a retention incentive for local government staff, encouraging them to stay in local government instead of gravitating towards central government. “We want to encourage people to stay in local government for years and to have the ability to learn and move up within the chain,” said Karake. “Being ever the optimist, I always say the future is in local government.”

Although a lot of work remains to be done in this field, and despite the low starting point, local leaders see the improvements made so far as a significant achievement. Karake said districts feel their staff are better trained and more invested in their work than before, and are better-equipped to do the work needed of them. This is, in part, due to the work of RALGA and development partners including GIZ, who facilitate trainings, workshops, and study tours for local government officials and leaders both within Rwanda and abroad. He asserts that GIZ’s help has been

“instrumental” in helping to build the capacity of local government staff. “I am really happy with the progress and very thankful for the help of GIZ. We enjoy that partnership,” and he adds, “building capacity is one of the most important things we can invest in.”

“GIZ’s help has been ‘instrumental’ in helping to build the capacity of local government staff.”

Remaining challenges

The lack of capacity at the local level is the stand-out challenge facing districts, which, unless addressed, threatens to derail the process. Other challenges remain, however, and Karake says there is real frustration amongst local leaders about the lack of a clear legal framework, which can cause confusion and sometimes leads to districts feeling central government is interfering. “The institutional arrangement can sometimes create conflicts,” he explains. “All of them ultimately want to perform well, so there is just a question of who does what, that sometimes needs to be sorted out.”

In 2006, *Imihigo* – performance contracts – were introduced to address the need to monitor accountability in local government spending. While the districts say they welcome the scrutiny and accountability that *Imihigo* brings, it adds to the pressure they face. Karake explained, “They are being pulled from the central government, who they are responsible to in their *Imihigo* contracts, and also from their local populations. They have that double accountability but also that double pressure, which can be difficult for them. We need to focus on helping them design the best *Imihigo* so that we can help them rather than add to their stresses.”

Decentralisation: A long road to a Rwandan success story

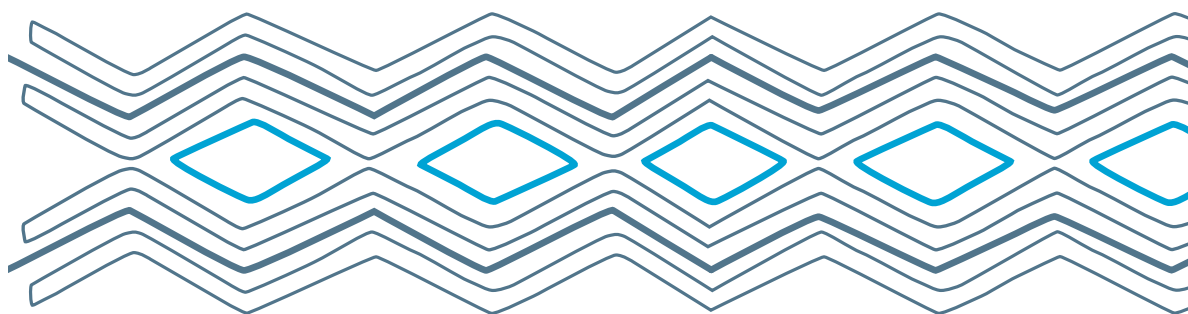
While the challenges persist, Karake believes his districts are grateful for what Rwanda’s development partners have helped them achieve so far. “They have played an absolutely vital role in our successes,” he says. “If you take GIZ, for example, they provide not only the financial means, which is incredibly helpful, but they also provide us with badly needed capacity to help us improve sustainably and for the long term.”

“Their role will continue to be important and what we need is to increase that collaboration and the good communication we already have. On our side, we must continue to ensure that there is accountability. Our development partners use their

taxpayers' money and we should be ready to account for every coin being given to us by GIZ.”

The road to a devolved state is a long one, with many false-starts and challenges, but through the formulation of RALGA, the support of the development partners, and political will going right up to President Kagame himself, huge strides have been made.

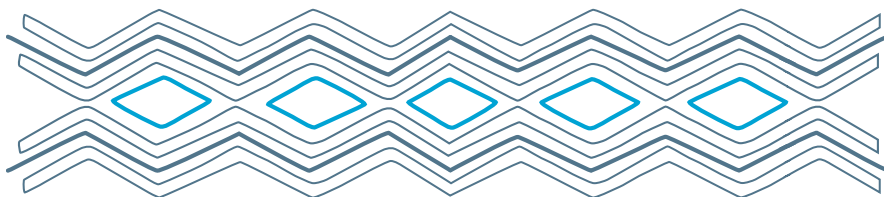
“We believe RALGA is a strong organisation which has helped move the decentralisation process along well, but we are also lucky to have the political will and committed leadership of His Excellency the President,” said Karake. “Through this support and the help of our development partners, not to mention the commitment of our local government staff and leaders, we think that decentralisation will be a success story for Rwanda. We are already receiving a number of delegations from all over Africa who come here to learn from what we have done. Decentralisation certainly isn't an easy process but it is one that is worth doing, and worth doing well.”



*“Decentralisation certainly
isn’t an easy process but
it is one that is worth doing,
and worth doing well.”*

The Future is in Local Government! – Developing the Local Government Institute

by Dr. Juergen-Matthias Seeler and Yves Bernard Ningabire



Decentralisation is one of the core aims of the Republic of Rwanda in order to achieve “good governance and a capable state.”⁷² With the Economic Development and Poverty Reduction Strategy (EDPRS), Rwanda has taken a variety of measures to enhance operations of private and public sector organisations. For the local government, the Rwanda Association of Local Government Authorities (RALGA) is mandated, among other duties, to build the capacity of staff and elected leaders. For this purpose, RALGA is currently establishing and developing the Local Government Institute (LGI). The LGI is supposed to contribute to capacity building for local governments in order to help institutions and acting individuals, such as local government executives and elected leaders, to better respond to residents’ needs.

The aim of this institution is to offer a master degree course in Local Government Studies, and short courses that fit into the modular structure of the overall curriculum. While the subjects in the master degree course will touch on theory and applicable rules in the Rwandan context, the short courses will be more hands-on and move from relevant rules to professional practice in local government, thus playing a key role in developing the LGI. The establishment of the LGI as an institution is dedicated to enhance the skills of local government leadership and is receiving full support of the Ministry of Local Government (MINALOC).

Plans for establishing the LGI date back to 2010, however, the project remained in its infancy for quite some time with a number of challenges faced by RALGA as the

⁷² Republic of Rwanda, Ministry of Finance and Economic Planning (2000). Vision 2020. Kigali. <http://www.minecofin.gov.rw/fileadmin/General/Vision_2020/Vision-2020.pdf>

implementing agency. After a long phase of stakeholder consultations, it remained difficult to operationalise the LGI. Some of the obstacles observed were limited resources of RALGA in terms of staff and finances, or lack of a clear strategy for the future of the LGI. It is also worth mentioning that the rapid development of the country naturally comes with some gaps in public service delivery which are simply due to the fact that too many duties need to be carried out simultaneously in order to cope with the increasing needs of public sector stakeholders.

It is against this background that RALGA, in collaboration with the German development cooperation Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), developed a systematic approach to establish and operationalise the LGI. In putting together the expertise of both organisations, a promising concept was established. Basically, RALGA's understanding of the challenges of local governments in Rwanda, and GIZ's know-how in facilitating organisational development are the ingredients to operationalising the LGI.

The first steps towards developing a fully functional Local Government Institute were implemented during the strategy development phase, which came to its end in January 2014. Crucial decisions on LGI's positioning were made; it was resolved that the LGI will be established as an institution of higher learning that will be run in partnership with the College of Arts and Social Sciences of the University of Rwanda. By this it is expected to blend core competencies of both sides for the best possible outcome. RALGA, LGI, and the University of Rwanda are currently finalising a respective Memorandum of Understanding. Upon stakeholder consultations, the target group for the LGI Master Degree programme was identified; the Institute will mainly offer courses for local government staff and elected leaders who already hold an undergraduate degree. The overall approach to establish the LGI is also based on the results of a capacity needs assessment carried out by the Rwanda Governance Board (RGB). Following these results, LGI responds to the needs expressed by local authorities. On this basis, a subject outline was drafted that took into account the most prevailing knowledge gaps expressed by senior executives of local authorities. The programme's tentative structure includes lectures in the following areas:

- Local Taxation
- Local Finance Management
- Local Governance and Leadership
- Local Infrastructure Management and Planning
- Local Economic Development
- Gender and Community Development in Local Government
- Local Environment Management and Climate Change Mitigation
- Human Resource Management and Administration

- Local Government Strategy and Policy Formulation and Analysis
- Research Project / Master Thesis

The next step in strategizing the LGI approach was to identify the best suitable facilitation mode for the anticipated target group. It was resolved that the LGI will develop a blended learning approach. Blended learning is a mix of distance learning and classroom teaching that best serves the needs of students who remain in their employment whilst undertaking studies. The reason for blended learning is simple: students will most likely want to stay in their positions at local governments in order to sustain income generation. Master studies are attractive for these employees as a higher degree, as it is normally a precondition for a promotion into more senior positions in respective authorities.

“Therefore, ‘the future is in local government’ is likely to become a reality for prospective students in Rwanda. The LGI will be a facilitator of this ambition.”

Blended learning is challenging because it demands high motivation and perseverance from the students. In return, it comes with a number of advantages, namely, that students will remain employed and that they will be able to link practical experiences to academic knowledge. Thus, the acquired skills are more relevant and more likely to directly contribute to improved service delivery of local governments. For the LGI there is one key advantage of this facilitation mode: the knowledge base of the curriculum stays within the Institute, regardless of the respective subject lecturers. It is not only dependent on individual teachers, as lectures are available in written study books, and lecturers are mainly employed to repeat and explain the content in obligatory classroom seminars. The written lectures are tailor-made and will be regularly updated in order to ensure that they will be in line with the changing needs of local governments.

Blended learning is relatively cost efficient. It requires a limited number of permanent staff to administer the number of students. Furthermore, lecturers will be hired on a part-time basis. Blended learning also provides maximum flexibility to students; they can enrol any time of the year and will be able to adapt their study workload to their professional and private commitments. They will be allowed to accelerate study progress or to expand study time with no additional costs attached.

This directly relates to the question of how to best ensure financial sustainability of the LGI. After considering various scenarios, the most promising one was to cover all costs by a mix of revenue from three sources: student fees, local government contribution, and potential donor support.

The business plan for the LGI is based on the conviction that the institution must be self-sustainable without donor support. According to estimates, the breakeven will be reached with 250 students enrolled in the master programme. It is expected that student fees will amount to around 68,000 Rwandan Franc (RWF) (about 75 EUR) per month. At this level, revenue from local government contribution will approximately match with income from student fees, however, a considerably higher number of students is anticipated to enrol once the LGI is fully operational. Student fees may appear high given the income situation as far as public authorities in Rwanda are concerned, yet compared to other higher learning institutions the LGI master degree course is among the least expensive ones and it still allows students to generate income from their employment.



Sign next to a school, Njaborongo Valley

In order to ensure an excellent curriculum development, local knowledge is combined with international expertise in the field in order to achieve the best possible outcome in terms of curriculum quality and response to local needs. It is expected that the LGI will be ready for the first student intake by March 2015. The curriculum development process will also include a test phase in which prospective students will be invited to enrol in a pilot course. Upon successful completion of this course, they will gain credit, should they later enrol in the full study programme.

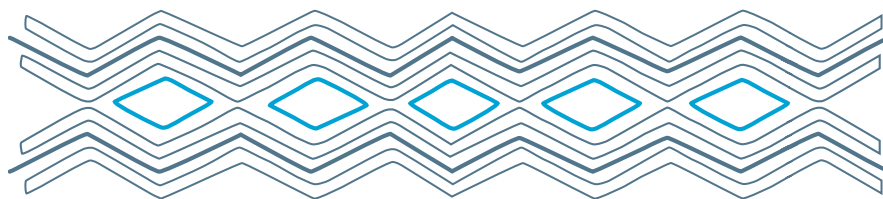
The pilot phase is employed for quality assurance purposes. Lessons learnt will be directly utilised to further develop the standards of the other subjects. With this procedure, the partners involved aim at ensuring a quality curriculum in local government studies.

In summary, there are three key characteristics that provide for the uniqueness of the overall approach to establishing the LGI in Rwanda. First, it is promising because the Institute will bring together the competencies of both RALGA and GIZ. Second, it employs international expertise in fields such as strategy and curriculum development, and is driven by the commitment to best serve the needs of local governments and the respective demands from residents. Third, it balances student expectations in public sector studies with LGI's demand for financial self-sustainability. In the long run, there is further potential for expansion of the LGI outreach. The short courses bear opportunity for a broad scope of educational services. Academically, it would also be possible to develop a bachelor degree programme. Furthermore, LGI could strive for a regional outreach, as demand for quality education in local government studies is evident in neighbouring countries as well.

Therefore, 'the future is in local government' is likely to become a reality for prospective students in Rwanda. The LGI will be a facilitator of this ambition.

Fiscal Decentralisation – A Cornerstone of the Decentralisation Reform

by David Lahl



Since the beginning of the Rwandan decentralisation process, fiscal decentralisation has been one of its cornerstones. This focus on fiscal decentralisation in the reform process is rather unique. Most other countries concentrate on decentralising responsibilities and building capacities at the local level first. After the capacities of local governments and the responsibilities have been devolved, however, the financial resources to fulfil those responsibilities are still missing. Rwanda is a very good example of a country in which decentralisation of finances has so far had more priority than decentralisation of powers.

Political and administrative steering of fiscal decentralisation reforms

Rwanda adopted a fiscal and financial decentralisation policy in 2001, one year after the adoption of the national decentralisation policy. Already in 2002, a legal framework for local revenue entered into force establishing revenue sources for local governments and a common development fund for the financing of development projects. Since then, many reforms have been implemented and some laws and policies were revised. In 2011, the Ministry of Finance and Economic Planning (MINECOFIN) officially took over the steering of the fiscal decentralisation process from the Ministry of Local Government (MINALOC) based on the Fiscal Decentralisation Strategy. The objective of this latest reform was to accelerate the pace of the decentralisation process.

The steering of policy implementation in the field of fiscal decentralisation has also been fairly well managed. One key instrument for this is the Fiscal Decentralisation

Steering Committee (FDSC), established by MINALOC in 2007, and chaired by MINECOFIN since 2010. This committee is composed of high ranking officials of key stakeholders who give policy orientations and monitor the progress of the implementation of the Fiscal Decentralisation Strategy. A technical working group consisting of technical staff from MINECOFIN, MINALOC, the Rwanda Revenue Authority (RRA), the Rwanda Governance Board (RGB), Rwanda Association of Local Government Authorities (RALGA), and representatives of district directors of finance are advising the steering committee and managing the implementation of the Fiscal Decentralisation Strategy based on a joint working plan. The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) is the main development partner of the FDSC and is advising the technical working group on implementing the Fiscal Decentralisation Strategy.

“Rwanda is a very good example of a country in which decentralisation of finances has so far had more priority than decentralisation of powers.”

What has been achieved to date?

In 2012, a revised legal framework entered into force assigning own revenue sources to local governments. Local government revenues consist of local taxes and fees, earmarked transfers, a block grant, and grants from donors and other agencies. Overall, the new legal framework provides local governments with the statutory basis to collect decent amounts of own revenue, although the law did not fully succeed in broadening the tax base since parliament was reluctant to approve higher rates and a broader base for the fixed asset tax (property tax). In order to increase the yields of local taxes, the responsibility to collect decentralised taxes on behalf of the districts was given to the RRA at the beginning of 2014. Until now, however, only the district of the City of Kigali with own revenues comprising roughly 40 % of its budget can claim to effectively generate enough revenues to fund recurrent expenditures.

Most resources of local governments are still earmarked transfers from the sector ministries. Although transparency of these transfers has increased and local governments can increasingly play their part in the budgeting process, the power of local governments to make own spending decisions is limited to own revenues, funds channelled through the Local Administrative Entities Development Agency (LODA)⁷³ and to some extent, block grants.

73 Up to December 2013, the entity was called Rwandan Local Development Support Fund (RLDSF).

Fiscal decentralisation is also one of the key pillars of Rwanda's public financial management reform. In local public financial management some considerable improvements have been achieved, especially in the areas of budgeting, budget execution, procurement, and regular financial reporting. However, findings published by Transparency International Rwanda on the Auditor General's reports of the districts for the financial year 2011/12 show that almost one third of the expenditure at the local level still raised complaints by the Auditor General's Office.

“The district of the City of Kigali with own revenues comprising roughly 40 % of its budget can claim to effectively generate enough revenues to fund recurrent expenditures.”

Concerning accountability, upward accountability is still the predominant form in Rwanda, based on performance contracts (*Imihigo*) between the President and the district mayors. These contracts are monitored by the Prime Minister's Office and since 2014, are evaluated by the Institute of Policy Analysis and Research (IPAR). Furthermore, efficient spending of public funds in this regard is also ensured by the Auditor General's Office. Nevertheless, internal audits, accounting, and financial reporting have weaknesses at the local level and the role of councils in the supervision of local governments still needs to be strengthened.

Where is Rwanda in the international context?

As many other countries in the region, local governments in Rwanda are relatively dependent on central government transfers. The focus of fiscal decentralisation has been rather on decentralisation of expenditure, with a high ratio of local expenditure being 20 % of the national expenditure. This is in contrast to rather weak decentralisation of revenues, where about only 3 % of all revenues are collected at the local level. In this respect, however, Rwanda is not that much different from other countries in the East African Community, where for example Tanzania shows relatively similar ratios of expenditure and even lower decentralisation of revenues. Also in terms of decentralisation of expenditure, West African countries like Mali or Benin are lagging far behind in fiscal decentralisation with ratios of local government expenditure ranging between 5 to 10 % of national expenditure. In these countries the political decentralisation also had a higher priority with smaller decentralised entities with little financial resources.

How does GIZ support the decentralisation process in Rwanda?

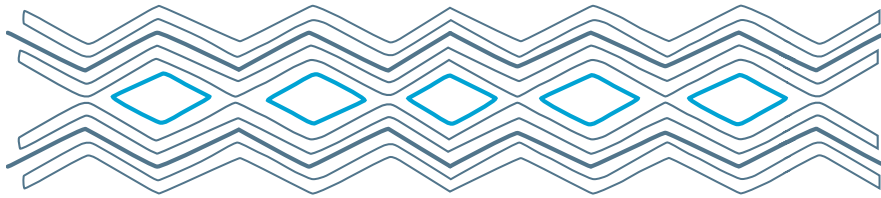
The “Support to Decentralisation as a Contribution to Good Governance” programme, implemented by GIZ on behalf of the Federal German Ministry for Economic Cooperation and Development (BMZ) is advising the FDSC and the technical working group in all areas of reform. This includes strengthening own revenues, the intergovernmental transfer system, and capacity building in financial management for local governments. The programme supported the elaboration and implementation of the new legal framework for own revenues for local governments, the elaboration of earmarked transfer guidelines, and the development of an easy to use accounting and reporting system (SEAS) for subsidiary entities under the districts. Furthermore, the programme has conducted intensive training programmes to build Public Financial Management (PFM) capacities at the local level.



Young Rwandan in front of his small business, Kigali

Intergovernmental Fiscal Relations – Achievements and Challenges

by Gundula Löffler



Rwanda is a small country that is moving ahead in big strides. In fiscal year 2012/13 its gross domestic product (GDP) was about 4,606 billion Rwandan Franc (RWF) (approx. 5 billion EUR), which constitutes an increase in GDP of 6.8 % (in real terms) compared to the preceding year.⁷⁴ Public expenditures in productive sectors as well as revenues have been growing continuously over the last several years, and inequality is on the wane. This promising trend however does not alter the fact that Rwanda is still among the poorest countries in the world with about 45 % of the population living below the poverty line.⁷⁵

Rwanda began with the implementation of its decentralisation policy in 2000. As part of this process, a territorial reform created 30 districts as decentralised entities, which were further subdivided into sectors, cells, and villages. Since then, the Government of Rwanda has not only assigned different sources of own revenue to its sub-national governments, but has also been gradually increasing intergovernmental transfers. In fiscal year 2012/13 the central government transferred just below 280 billion RWF (approx. 310 million EUR) to the districts, constituting about 20 % of the national budget. Of these transfers, about 70 % are earmarked by line ministries and central agencies for specific use, 10 % are transferred as unconditional block grants, and 20 % come from other agencies and donor grants.⁷⁶

Compared to many other countries in the region, Rwanda is fairly advanced in the area of fiscal decentralisation, due to the strong, supportive role of the Ministry of Finance and Economic Planning (MINECOFIN), that is one of the main engines

74 At current prices.

75 National Institute of Statistics of Rwanda. <<http://www.statistics.gov.rw/>>

76 Rwanda Governance Board (2013). Sectoral Decentralization in Rwanda. Kigali. Government of Rwanda

of this reform. It is guided by a fiscal decentralisation policy and strategy (both last revised in 2011), which outline the objectives of fiscal decentralisation and clearly delineate the sequencing of its implementation. As lead development partner in this policy area, the German development cooperation through the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) has been supporting the Government of Rwanda in a number of key areas implementing these policy documents, for example, in the areas of own revenue enhancement, earmarked transfers, and local public financial management.

Intergovernmental transfers

One area where considerable progress has been made is that of intergovernmental transfers. Previously, every central government institution was allocating funds to decentralised entities according to its own internal rules and procedures, making it difficult for the latter to obtain an overview of the total amount of funds available. To improve the transparency and efficient use of the intergovernmental transfers, MINECOFIN initiated a concerted effort among all line ministries and central agencies to compile earmarked transfer guidelines starting from fiscal year 2011/12. The earmarked transfer guidelines define the terms under which the funds for the earmarked programmes in every fiscal year are allocated, transferred, spent, and accounted for between the central institutions and the districts.

Despite some forward steps taken in the area of intergovernmental transfers, a number of challenges remain. GIZ has been supporting the critical analysis of the transfer system with several studies to more clearly understand these challenges and to identify ways of addressing them, for example, by improving the quality of inputs from line ministries and central agencies.⁷⁷ One difficulty for example, pertains to the allocation formulas applied by the central agencies to assign funds to government programmes and districts in a transparent and fair way. In many cases, the formulas through which funds are allocated are not based on objective criteria, or they refer to factors with little relevance to the beneficiaries.⁷⁸ Some formulas, for example, are based on unit costs or fixed amounts per programme or district,

77 For examples of studies see: Van't Land, G. (2009). Fiscal Decentralization in Rwanda: Review of the Existing Grant Allocation Practice and Guidelines for Streamlining of Allocation Formulae for Block Grants and Sector Earmarked Grants. Internal Consultancy Report commissioned by the Ministry of Finance and Economic Planning; Wright, G. (2012). Analytical Report on Districts' Earmarked Transfer Guidelines of the 2011/12 Financial Year. Internal Consultancy Report commissioned by the Ministry of Finance and Economic Planning.

78 Wright, G. (2012). Analytical Report on Districts' Earmarked Transfer Guidelines of the 2011/12 Financial Year. Internal Consultancy Report commissioned by the Ministry of Finance and Economic Planning

instead of needs or performance. This results in reinforcing the existing distribution of service, putting funds where investments have already been made, rather than initiating needs-based development extending services to underserved areas. Other formulas are too complicated or are based on variables for which accurate data is not easily available, which weakens the transparency and the traceability of the transfers.⁷⁹

Another weak point relates to the lack of effective performance indicators that allow for objectively verifiable measurement of achievements. This impedes monitoring and evaluation of the earmarked programmes and prevents an effective assessment of district performance with regards to budget execution and programme implementation, according to national priorities. Addressing these challenges will increase the transparency, fairness, and result-orientation of the intergovernmental transfer system and ensure that resources are allocated efficiently and with a strong focus on development.

Sector decentralisation

Despite a fairly large share of Rwanda's public funds being spent at the local level, most expenditure decisions are still made at the centre. About 60 % of the district budget is tightly earmarked by line ministries and central agencies with its use being predetermined line item by line item.⁸⁰ And even in the allocation of the other intergovernmental transfers the central government has a considerable role in defining the use of funds. Thus, the only source of funds that districts have full discretion over is their own source revenues, which on average only constitute about 16 % of their budget, limiting the space for local autonomy.⁸¹

In addition to this, in most sectors the distribution of roles and responsibilities between central institutions and local government is not clearly delineated. While the Local Government Act and related legislation assign the general mandate for the provision of public services such as health, education, water and sanitation, etc. to decentralised entities, many line ministries, instead of providing implementation guidelines or technical support to local governments, carry out many of the related tasks without the involvement of, or the coordination with, them. In the health sector for example, only the director of health is an employee of the district, while

79 Van't Land, G. (2009). Fiscal Decentralization in Rwanda: Review of the Existing Grant Allocation Practice and Guidelines for Streamlining of Allocation Formulae for Block Grants and Sector Earmarked Grants. Internal Consultancy Report commissioned by the Ministry of Finance and Economic Planning

80 For the 2012/13 fiscal year.

81 Albeit, with great differences between urban and rural districts.

all the other staff in the sector are recruited and paid by the Ministry of Health. As a result, the director of health has no actual supervisory control over the other health employees in the district. This situation oftentimes leads to gaps and redundancies in implementation and accountability of public service delivery. A clear assignment of functions across, and better coordination between, different levels of government is necessary to ensure the effective and efficient delivery of public services.

“With the roles and responsibilities for service delivery being more clearly delineated and coordinated between the different levels, there will be room for gradually relaxing the tight earmarking of funds, allowing for more allocation autonomy at the local level.”

In order to address these challenges and strengthen service delivery at the local level, GIZ has been supporting the Government of Rwanda in the development of a Prime Minister’s Order on sector decentralisation since December 2013. The Order is supposed to provide the structural and procedural framework for the line ministries to guide them in the development of detailed implementation strategies for the decentralisation of public service delivery in their respective sectors. The framework ensures that joint principles of sector decentralisation are adhered to across all sectors, while allowing for sector specific aspects to be taken into account. With the roles and responsibilities for service delivery being more clearly delineated and coordinated between the different levels, there will be room for gradually relaxing the tight earmarking of funds, allowing for more allocation autonomy at the local level. In other words, as local governments will have a more specific mandate clarifying what exactly is being expected from them in terms of processes, outputs, and outcomes, they can be entrusted with making their own allocation decisions towards delivering these processes, outputs, and outcomes, in view of their local framework conditions increasing efficiency.

Local public financial management

The Government of Rwanda is strongly committed to strengthening processes and capacities of public financial management (PFM) in all its institutions to improve its implementation capacity, and attain the development objectives the country has set for itself. In order to achieve this, PFM Sector Strategy Papers (SSP) (PFM SSP 2008–2012 and PFM SSP 2013–2018) have been developed to guide the implementation of related reforms to establish strong systems and procedures for financial management and reporting across all levels of government.

One of the most pressing issues at the local level that has been identified by this strategy is the accounting and auditing of earmarked expenditures via local non-budget agencies, such as sector administrations, schools, hospitals and health centres, etc. where public services are being delivered. As the “parent” budget agency, the respective district has a monitoring role vis-à-vis these non-budget agencies. District audit reports of the Auditor General, however, reveal that districts on average audit less than 50 % of their non-budget agencies on a yearly basis. Also, the financial reporting from non-budget agencies to districts is very weak, resulting in poor accountability and expenditure management at the district and sub-district levels.⁸²



Eco Bank Tower, Kigali

MINECOFIN has taken the initiative to address these challenges by developing a simplified version of its public accounting software (Smart IFMIS) for non-budget agencies at the sub-district level. The GIZ supported Programme for

82 Olson (2011). Consultancy on the Public Financial Management System, Earmarked Transfers and other Financial Sources (Health Sector). Internal Consultancy Report commissioned by the Ministry of Finance and Economic Planning

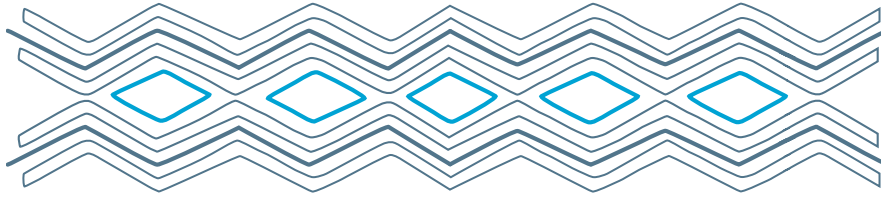
Decentralisation and Good Governance has been assisting the Ministry in the development of the software through an integrated technical expert, who has been working with the team of programmers on tailoring the software to the reporting needs and requirements of the local non-budget agencies. During the second half of 2013 the programme has also been supporting the training of trainers and end users for selected sectors. These trainings, combined with on-the-job support from trained supervisors, will enable sector accountants to use the software for their accounting and financial reporting to the districts. This will not only improve the expenditure management and financial accountability of the local non-budget agencies (and their respective parent-districts), but also facilitate the auditing of the non-budget agencies by the districts, making sure the districts can perform their monitoring role effectively.

“The Government of Rwanda is strongly committed to strengthening processes and capacities of public financial management in all its institutions to improve its implementation capacity, and attain the development objectives the country has set for itself.”

Given the highly political and complex nature of decentralisation, and its vast needs for developing individual, organisational, and systemic capacities at all levels, the pace and strategic focus with which Rwanda has been implementing its reform is impressive – and might offer many good practices for other countries pursuing similar objectives. The Government of Rwanda has successfully addressed a great number of issues in the areas of intergovernmental transfers, sector decentralisation, and local public financial management and continues to do so with the targeted technical support from GIZ and other development agencies. Making effective use of this support can help the country maintain its fast moving pace, while ensuring a high-quality delivery on its development objectives.

Rwanda's Domestic Taxes – An Interview with Celestin Bumbakare, former Revenue Commissioner for Domestic Taxes

by David Lahl and Wenceslas Niyibizi



The Government of Rwanda has recently implemented a comprehensive reform of the legal framework for local governments' own revenues with the objective to increase financial resources and autonomy of local government. This legal framework reform has been developed under the leadership of the Ministry of Finance and Economic Planning (MINECOFIN) and advised by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) through the development programme "Support to Decentralisation and Good Governance" from 2012 to the end of 2015, following the new law 59/2011 of 16/01/2012 regulating local taxes, and the new Presidential Order 25/01 of 09/07/2012, regulating local fees.

In fiscal year 2012/13, the new regulations for local revenue administration in Rwanda were fully applied for the first time. Since then, revenue collection of local governments has increased by 8 %. Nevertheless, initial expectations have not been met. For that reason, there is an ongoing debate about what can be done to further strengthen local revenue collection. One of the options discussed is how

the national tax body, the Rwanda Revenue Authority (RRA), could get more involved in the collection of local revenues. In an interview with Celestin Bumbakare, the commissioner for domestic taxes at the RRA, he explains how he perceives the achievements of fiscal decentralisation, forthcoming reform needs for local taxation, and the future role of RRA.

David Lahl and Wenceslas Niyibizi:

Mr. Bumbakare, you have accompanied the fiscal decentralisation process since the beginning. Overall, what do you think have been the main achievements in fiscal decentralisation in Rwanda since law no 17/2002 of 10/05/2002 on establishing the source of revenue for districts and towns and its management came into force?

Celestin Bumbakare: Until now, many achievements have been registered in the area of fiscal decentralisation, and I would like to highlight some. First and foremost, there is the ownership and willingness by various government institutions and other partners involved in this process who have always worked

hard to see fiscal decentralisation becoming a success. The second key achievement is the existence of modern legal instruments governing the local taxes and fee collection. The new fiscal decentralisation tax laws and other legal instruments have been updated to solve some issues identified in revenue collection processes, and some of them are backed by prior research. The third key achievement that should be mentioned is the capacity building of tax officers and taxpayers, which enables them to fulfil their obligations. Finally, there is the continuous increase in number of taxpayers eligible, not only for local taxes but also for national taxes. All these achievements have boosted the level of revenue collections in all districts of Rwanda.

“There is the ownership and willingness by various government institutions and other partners involved in this process who have always worked hard to see fiscal decentralisation becoming a success.”

In 2009 you presented a paper on local taxes as an impediment for the formalisation of small and medium enterprises (SME), and what is being done in the framework of the International Tax Dialogue. In this framework you underline some problems associated with the decentralisation of taxes in Rwanda. Among the issues you mention are the regressive nature of some of the local taxes and the low capacity of local government revenue officers. How do you think the implementation of the new legal framework, which has been in place since 2012, has contributed to the solution of these problems?

Many legal issues raised at that time have been solved by the current legal framework. But still,

further research is indeed needed to make a thorough analysis of the current tax burden on individual Rwandan taxpayers. No research has been conducted, until now, analysing the impact of various charges and fees collected by local entities on taxpayers' compliance behaviour. Although much has been done in the area of capacity building for local tax officers, there is still a long way to go to make the employees more productive and more professional.

What do you think are the main reasons for local revenue collections remaining below expectations, despite the new legal framework and increased capacity building at the local level?

In my point of view, besides some legal issues – which can be analysed and solved as time goes on – local revenue collections mainly remain lower than expected due to administrative issues and lack of application of IT facilities during the collection process. Administrative issues in this regard relate to the capacities of the revenue units in terms of human resources and equipment (i.e. inappropriate equipment and lack of qualified staff). The non-usage and lack of IT facilities in revenue collection processes has dual effects: first, bad service delivery to customers due to manual work, and second, it is a hindrance to collection efficiency.

It is currently being assessed if local taxes and fee collection should be transferred from the districts to RRA. Which role should the RRA play in local revenue collection in the future?

The RRA should collect local taxes and fees on behalf of districts due to its technical expertise, leading to more efficiency in government revenue administration. Different phases are envisaged to make this process a success. In the first phase,

the RRA will collect only local taxes, and at later stages, additionally other identified strategic local fees. It must be clearly understood that the RRA should play the role of collection agent, and as per the law, the collection process has to include taxpayer registration, tax assessment, tax payment, reconciliation, reporting, appeal, and enforcement.

“The new fiscal decentralisation tax laws and other legal instruments have been updated to solve some issues identified in revenue collection processes, and some of them are backed by prior research.”

The Fiscal and Financial Decentralisation Policy is an essential tool to ensure the successful implementation of Rwanda’s overall Decentralisation Policy, which targets other aspects besides simply fiscal decentralisation. Observations might lead to the conclusion that transferring local revenue collection to the RRA is a step back in decentralisation. What is your opinion on this?

Transferring the powers of collecting local revenues to the RRA is not a step back in decentralisation because the RRA will act as collection agent, due to efficiency and better service delivery purposes. A single taxpayer may be liable to different taxes, some being local and others central taxes. In Rwanda, we are using a self-assessment system, so it will be very easy to cross-check any information provided by a taxpayer on both local and central taxes, because information will be gathered at the same place. A concrete example is the trading license tax and value added tax (VAT). The trading license tax is based on the VAT-turnover. Since taxpayers will get all services from one place, like a one

stop centre, this will reduce tax compliance costs. This means, more revenues will be made available due to a negative correlation between compliance behaviour and compliance costs.

What do you consider the biggest challenges, if the transfer of revenue collection to the RRA becomes reality? What would need to be done to make it work?

Personally, I don’t see any challenge for the RRA because the implementation will be carried out in different phases. Thus, we will be well prepared to avoid a possible underperformance. A challenge that I could imagine though, would be the lack of the updated tax database from various districts, seeing as information is key in revenue administration.

In some countries in West Africa it was observed that, when the national revenue authorities were collecting local revenue, local fees were collected with lower priority due to the priority of national taxes, and a lack of human resources. Bad experiences also show that sometimes money collected by national tax bodies at the local level, was transferred back to local governments with delays. What needs to be done to avoid such problem from occurring in Rwanda?

Local taxes must have the same priority as central taxes in collection processes, and the RRA has to be prepared enough to avoid any possible crisis in terms of human resources. On the issue of delayed transfers of local revenues to local governments, I don’t have any knowledge yet of the motives or challenges faced by those countries. But what is clear: the RRA will make a thorough analysis of all requirements prior the implementation phase so that such problems will not occur.

Rwanda wants to increase tax collection as a percentage of the gross domestic product (GDP). Which role should local taxation play to achieve this target? Especially, how does the fixed asset tax contribute to this?

The tax to GDP ratio in Rwanda is, at its current 14 %, still low compared to the average for sub-Saharan African countries, where it is at about 18 %. The strategy to improve this ratio is to collect more revenues by tackling the untapped resources through appropriate administrative actions. In this regard, I strongly believe that the property tax is not efficiently collected, due to a lack of updated tax payers' data, and a lack of property valuation expertise, among other reasons. Rwanda is the strongest growing economy in the region. The construction sector plays a major role in this: evidence being new buildings coming up in various districts of the country. It is therefore necessary to put adequate strategies in place to widen the tax base and to build capacities in the area of property valuation, in order to improve the ratio of the property tax to GDP. It is currently less than 0.5 %, and thus below the world average, which is between 0.5 % and 3 %.

The RRA implemented an electronic e-tax platform in which a great share of small taxpayers have already been registered. Could it be possible to roll out such an e-tax system for the taxpayers of local revenues, and what needs to be done to achieve this?

One of the key challenges, as mentioned earlier, is the non-usage and lack of IT solutions in revenue collection processes by local governments. Recently, the RRA has introduced a mobile declaration system for micro and small taxpayers to remove obstacles regarding compliances, by simply reducing compliance

costs. A great share of local taxpayers falls under this category. Therefore, the declaration through mobile phones can apply. Further cost-benefit analysis should be done to see how e-tax solutions could be used by all local taxes across the country.

Which assistance has been most useful in the fiscal decentralisation reform process until now, and which type of assistance will you require from GIZ in the future so that local taxation will become a success?

The assistance we have been given in terms of the legal drafting process, the organisation of study tours, and other financial support have been useful for us to foster fiscal decentralisation. The RRA will still need further cooperation with various partners to make fiscal decentralisation a success. Future technical and financial assistance needs to be analysed according to the issues that emerged during the implementation process. The key priority in improving local revenue collections, in my view, is the application of IT solutions in the collection process, and capacity building of the staff involved in the process through study tours and trainings.

Local taxes and intergovernmental relations were a focus of the 2013 5th International Tax Dialogue conference in Morocco. In one case study it was shown that in 2012, Ireland successfully adopted a property tax scheme based on self-assessment and market value, which is very similar to what was developed in Rwanda before the current legal framework governing local administration. What could Rwanda learn from other countries, for example, from the East African Community, and in which areas is Rwanda leading?

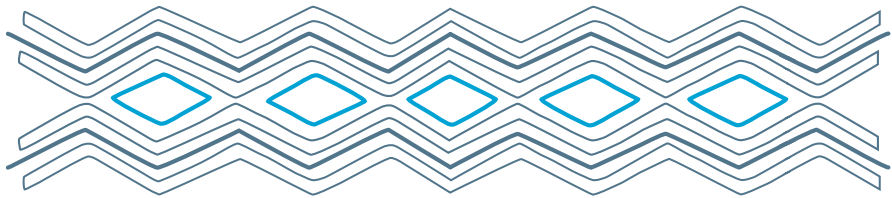
I have found the Irish system very interesting for the taxation of the property tax, as it first looks at the self-assessment before applying the market value at the request of taxpayers. It differs from our system, because in Rwanda, the tax officers in the districts adjust taxpayers' declaration without referring to any basis.⁸³ Normally, there is a model system for each country based on the level of development. The government has to put in place a tax system that is simple and acceptable by taxpayers. The example of Ireland could be useful for us.

Mr. Bumbakare, thank you for the interview.

83 Addition by the authors: In Ireland the tax authority provides estimates of property values to the taxpayers for guidance of the self-assessment, while in Rwanda an estimate by the administration is only provided if the self-assessed value is considered too low.

Local Taxation – The Tax Payers’ Perspective

by Gundula Löffler



“I pay all my local taxes – it is my duty as a citizen to do so ... but that doesn’t mean that I like it!” (a local taxpayer)

Taxes are a highly unpopular and contentious issue in the public debate. In some countries, national elections are won or lost over lowering or raising taxes. Nevertheless, taxes are a crucial element of a modern nation. They not only constitute an important source of revenue for a state, but also allow its government to maintain necessary operations and to assume its role in the provision of public services. Taxes are also pivotal in establishing an accountability relationship between citizens and their government, in which citizens understand themselves less as beneficiaries and more like customers, who pay for the goods and services they receive. In this customer-service-provider-relationship, citizens hold their government accountable for the level and quality of services provided in exchange for the taxes paid. Thus, taxation can help strengthen citizenship by giving people (another) good reason to get actively involved in public affairs.

In Rwanda, this important nation-building function of taxation has been well understood. Therefore, despite widespread poverty and large amounts of aid flowing into the country, the Rwandan Government has been exerting genuine efforts to build systems of tax collection and administration at all levels of government. At the local level, decentralised entities have been entitled to collect taxes and fees from land and economic activities (see text box for details) within their jurisdiction, in order to finance some of their inherent functions. But do those taxpayers understand why they are being taxed?

Based on findings of a survey of local taxpayers, most people seem to have at least a general idea of the purpose of taxation.⁸⁴ When asked about what they thought local revenue was being used for, 66 % responded that they thought it was used for replenishing the national budget, 37 % answered they thought it was paying for the provision of local public services in the district, including infrastructure, and 31 % thought that it was used towards paying for salaries of local government staff.⁸⁵ Other promising findings come from responses indicating the level of perceived corruption in local taxation: only 2 % of the respondents suspected local revenue being used for lining the pockets of tax collectors and government officials. At the same time, the majority of the respondents expressed appreciation for the government's efforts to safeguard public funds, such as the zero-cash policy, which bans local government staff from handling cash, including for tax payments. About three-quarters of the interviewed taxpayers stated that they liked making their payments at the bank or SACCO, a financial cooperative, as they felt that it was a safer way of paying that provided more accountability for the receipt of payment. These findings suggest that most citizens not only understand in principle the purpose of taxation, but that they also trust in the legitimate use of their tax payments by the government.

"I pay all my local taxes – it is my duty as a citizen to do so ... but that doesn't mean that I like it!"

More evidence supporting the notion that people in Rwanda are aware of their rights and duties as citizens and taxpayers comes from taxpayer responses regarding their attitudes towards tax payment. When asked about their rationale for paying taxes, 62 % of those interviewed replied that it was their duty as a citizen to do so, and 34 % said that they wanted their sector to be able to provide better public services. Only a comparatively small 28 % of respondents stated that they were paying to avoid getting fined. Respondents who did not pay some or all of their taxes indicated that they did not do so because they did not have enough money to pay them (49 %), or because they were not liable for paying local taxes (21 %), with most of them being exempt due to poverty. The percentages of people who did not pay because they did not know whether they needed to pay taxes (12 %), or who claimed that they had not been requested by anyone to pay taxes (15 %), were considerably

84 This local tax and fee payer survey was conducted by GIZ on behalf of the Ministry of Local Government (MINALOC) in November 2013, interviewing 535 local taxpayers, 34 % of which were female. The survey was carried out in the three districts of Gasabo, Gicumbi, and Nyamagabe.

85 For this and the following survey questions, the respondents could provide more than one answer.



Small grocer's shop, Kigali

lower. In summary, these findings point to fairly good local taxpayer morale among the Rwandan people overall, suggesting that local taxes in Rwanda cannot only serve to collect revenue but also to build citizenship. However, when taking a closer look, still some issues become apparent that are worthwhile addressing.

First of all, while most taxpayers seem to have a general idea of what taxes are being paid for, they do not fully grasp the system behind it, including the actors, procedures, and roles and

responsibilities. An understanding of these things, however, is crucial for citizens to know how to engage with their government, whom to hold accountable for what, and where to direct their complaints to. For example, 66 % of respondents believed that local taxes were used to replenish the national budget. This finding suggests that two-thirds of the interviewed taxpayers are not aware of the autonomous character of the decentralised entities and their own source revenue, but rather believe them to be an extended arm of the central government. Also, when asked about what local governments should do to increase their revenue, a majority of respondents suggested providing more information to taxpayers, which points to a lack thereof; 31 % of respondents recommended to better explain to people what local taxes are being spent on, while 34 % proposed providing more information about the kind of local taxes and fees that are being collected, including their rates and due dates. This latter point is being underlined by widespread confusion regarding some taxes and fees, for example, the public cleaning fee. This monthly fee is levied on vendors and business owners to pay for maintaining the cleanliness of public spaces such as streets, sidewalks, public places, etc. During the survey, it was found that in most places, this fee was levied under a different, more generic name such as “monthly fee,” or “district fee.” As a result, most people were not aware of its purpose or confused it with the garbage collection fee. This and other examples show that there is still need for providing more information to taxpayers, as only a fully informed citizen can be a good citizen.

“These findings point to fairly good local taxpayer morale among the Rwandan people overall, suggesting that local taxes in Rwanda cannot only serve to collect revenue but also to build citizenship.”

Secondly, the prevalence of widespread poverty seems to affect people's ability and willingness to make tax payments. In response to the question what they thought

was preventing local governments from collecting more taxes or fees, 80 % of the respondents replied that it was the fact that people could not afford to pay them. When asked about what local governments should do to collect more revenue, 75 % of the respondents suggested to lower tax rates. While complaints about taxes being too high are certainly a universally observed phenomenon, there is some indication that in this case, these complaints might be driven by the tax burden weighing too heavy on the poor. Many small business owners, for example, reported struggling to pay the yearly business license tax, while some of the much larger and financially afloat businesses in the neighbourhood were paying the same amount, due to the tax brackets being too broad. Some respondents argued that they were willing to pay some taxes in principle, but that these taxes should be levied based on turnover or profit made from the business. This would increase fairness and prevent excessively burdening smaller entrepreneurs, in turn increasing their compliance and willingness to constructively engage with their government.

“Only when people know what services they finance with their taxes, whether the level of taxation is appropriate to the level of services they receive, and whether the level of services is appropriate to their needs, can they cease to be mere beneficiaries and start being citizens – taking an active part in the building of their nation.”

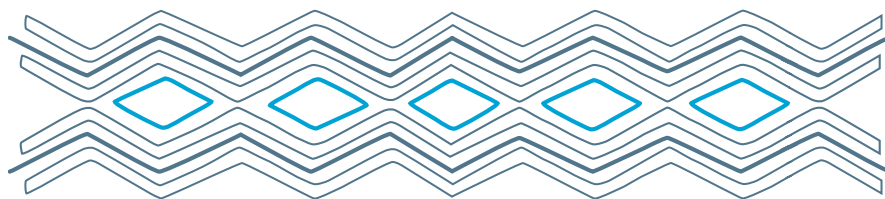
Finally, another fairness issue emerged when looking at tax collection practices across different kinds of local taxes. The survey found evidence to suggest that in practice, business taxes are being collected much more systematically and thoroughly than other taxes (like taxes on land, for example), due to the easier accessibility of business owners. Shopkeepers can hardly run from the tax collector when they need to stay in their shop to attend to customers. On the other hand, people owing rental income tax, for example, are oftentimes not even known to the local governments as they might live outside the community and rental contracts might be kept private. Therefore, tax payer lists for trading license tax usually turned out to be much more complete and up-to-date than lists for land lease fees or rental income tax. In some areas, those latter fees and taxes even seemed to not have been collected at all. While this practice might constitute a rational choice by local governments, reflecting an efficient allocation of their scarce resources, it introduces an element of ‘horizontal inequity’ into the taxation system, where business owners are being taxed to the full extent of the law while other taxpayers slip through the cracks. Taxing people as intended by the legislation, without any systematic distortions, can improve the legitimacy of tax collection in the eyes of the taxpayers and strengthen the relationship between local government and its citizens.

In summary, the findings of the local taxpayer survey conclude that local governments in Rwanda are on a good track to establish a strong and constructive relationship with their citizens through taxation, which will eventually result not only in substantial revenues for financing government operations and public services, but also in strengthening the democratic state from the bottom up. Despite this positive outlook, however, there is still a need to further improve tax payer compliance and strengthen people's ability to hold local government accountable, by providing more information, making taxation more transparent, and increasing the fairness of the local tax system. Only when people know what services they finance with their taxes, whether the level of taxation is appropriate to the level of services they receive, and whether the level of services is appropriate to their needs, can they cease to be mere beneficiaries and start being citizens – taking an active part in the building of their nation.

Based on law 59/2011 of 31/12/2011 and Presidential order 25/01 of 09/07/2012, Rwanda's decentralised entities (i.e. districts with assistance from their subordinate sectors and cells) have been endowed with the authority to levy three taxes and several fees and charges as sources of own revenue. The three decentralised taxes are the *fixed asset tax* (property tax) levied on the market price of property where the owner holds a full title deed, the *rental income tax* levied on income from renting out property, and the *trading license tax* levied on any kind of profit oriented activities. In addition, decentralised entities can levy several fees and charges, the most important ones being the *land lease fee* levied in proportion to the size of the land where the owner holds a land lease title deed, the *public cleaning fee* levied on business activities, a *fee on official documents, services and notarisations*, a *market fee* levied on traders selling in market place, and a *fee on transport of products from quarries and forests* levied on truckloads of wood, charcoal, stones, and sand.

Civil Society in Rwanda and its Role in Fostering Accountability

by Alessandro Bozzini



“What if an enemy of the mayor asks all his family and friends to write negative things and drop them in the box?” This question came up every time I presented to a local audience, the project, “Curbing corruption and promoting transparency in local governments using suggestion boxes for complaints.” This being an initiative carried out by Transparency International Rwanda, in cooperation with the development programme “Support to Decentralisation and Good Governance,” implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). The project involved placing the suggestion boxes in district and sector offices and encouraging citizens to evaluate the services received by filling in a questionnaire and dropping it in the box. The aim of the project was to monitor service delivery at the local level and thus to fight corruption, enhance transparency, encourage citizens to hold local authorities accountable and ultimately, improve the provision of such services. Yet, at first some Rwandan authorities saw it as a way to attack and criticise local leaders, hence the worried question that was asked every time I presented the project. However in the end, luckily, most authorities – including the mayors themselves – deemed the project a success and the suggestion boxes approach has been scaled up and replicated.⁸⁶ This episode shows quite well how some reluctance towards the accountability role that civil society organisations can and should play, still exists in Rwanda.

⁸⁶ Up to now the suggestion boxes have been implemented in five Districts: Gasabo, Kicukiro, Musanze, Nyarugenge and Rubavu. More information on www.tirwanda.org

Rwanda's civil society is comprised of numerous organisations working in a wide range of fields. A survey on social cohesion carried out by the National Unity and Reconciliation Commission (NURC) for the 2005–2007 period found that there are over 37,000 associations in the country (96 % of them being community-based).⁸⁷ According to the Joint Governance Assessment, a document co-drafted by the government and the development partners working in the country, around 2,000 non-governmental organisations (NGOs) are registered.⁸⁸ The importance of NGOs is confirmed by the fact that in fiscal year 2009/10, Rwandan civil society organisations (CSOs) spent over 60 billion Rwandan Franc (RWF) (around 63 million EUR) for their activities.⁸⁹ These figures show that civil society is a relevant actor in Rwanda and is crucial for the economic and social development of the country.

“Most authorities – including the mayors themselves – deemed the project a success and the suggestion boxes approach has been scaled up and replicated.”

This is in line with the international trend of the last few years, which has seen CSOs growing in importance and being increasingly recognised as key development actors by major donors such as the United Nations Development Programme (UNDP),⁹⁰ the European Union (EU),⁹¹ and the World Bank, which recently launched a new CSO partnership on social accountability.⁹²

Rwandan law defines an NGO as “an organisation which is comprised of natural persons or of autonomous collective voluntary organisations whose aim is to improve economic, social, and cultural development and to advocate for public interests of a certain group, natural persons, organisations, or with the view of promoting common interest of their members.”⁹³ Rwandan civil society includes small community-based organisations as well as large national NGOs and many platforms, collectives, and networks: the latter being groups of CSOs which decided

87 National Unity and Reconciliation Commission. “Social Cohesion in Rwanda: An Opinion Survey (2005–2007)”

88 Joint Governance Assessment (2009). p.42

89 The Civil Society Mapping of UNDP and the Rwandan Civil Society Platform (2011) states that CSO expenditure in Rwanda in Fiscal Year 2009/2010 approached RWF 254,833,597,195 (Euro 268,039,000) and that 75.9 % was expended by international CSOs. Therefore local CSOs must have spent RWF 61,414,896,923 (Euro 64,597,300).

90 United Nations Development Programme. UNDP Engagement with Civil Society. <http://www.undp.org/content/undp/en/home/ourwork/partners/civil_society_organizations.html>

91 <http://ec.europa.eu/europeaid/who/partners/civil-society/>

92 <http://go.worldbank.org/ZEL7JBJM90>

93 Law N° 04/2012 of 17/02/2012 governing the organisation and the functioning of national non-governmental organisations.

to federate in order to join forces and better pursue their goals. The overarching umbrella organisation is the Rwanda Civil Society Platform (RCSP), created in 2004 in a bid to better coordinate and represent the sector. The platform now has 16 members, some of them CSO networks themselves, working in a diverse range of fields. Some members work on human rights, such as the Collective of Leagues and Associations for the Defence of Human Rights (CLADHO), others work on governance, such as Transparency International Rwanda; many deal with social issues and vulnerable groups, for example *Pro-Femmes* (a women's organisation) and *Ibuka* (an organisation defending genocide survivors' rights), but the platform also includes religious groups such as the Episcopal Conference of Catholic Bishops and the Association of Muslims in Rwanda, as well as a Central Trade Union of Workers of Rwanda (CESTRAR).

What is the role of Rwandan civil society in fostering accountability?

Broadly speaking, accountability means ensuring that officials in public, private, and volunteer organisations are accountable for their actions and that there is redress when duties and commitments are not met. National government accountability can be ensured through horizontal or vertical mechanisms: the former refers to internal checks and balances between various bodies of the state (e.g. the parliament holding the government accountable), while vertical accountability is that between citizens and the state (typically through elections). Hybrid ways in which citizens directly express voice beyond elections are sometimes referred to as diagonal forms of accountability.

Despite the large number of organisations, their financial relevance, and the wide range of their activities, few Rwandan CSOs are real accountability actors as the vast majority of them are engaged in service delivery or religion and are thus complementary to the state; they support marginalised groups, provide basic services to the poor, or sensitise local communities on their rights, among other activities. However, there *are* a few organisations which are engaged in policy, advocacy, and oversight of the government's activities, and their role in the public sphere is growing. The example of the suggestion boxes project illustrates how the idea that CSOs could engage in accountability and governance is relatively new in Rwanda, but is slowly gaining momentum.

Indeed in the last few years a number of Rwandan NGOs have carried out several accountability activities. These NGOs include those supported by GIZ, such as Transparency International Rwanda, the human rights organisation CLADHO, or the Rwandan CSO platform itself. Other relevant development partners are also supporting CSOs' accountability activities of Rwandan NGOs, for example the

EU, the Department for International Development, and the Swedish Institute of Development Aid, as well as international NGOs including Norwegian People's Aid, and Trocaire. These activities fall in three broad categories: contribution to policy formulation (advocacy), monitoring of policy implementation and of service delivery (watchdog role), and awareness-raising (sensitisation).

The first category, advocacy, includes projects aimed at identifying citizens' priorities in a certain area, collecting voices and suggestions from local communities, conveying such messages to the authorities, and advocating on behalf of the citizens for these ideas to be taken on board by leaders (for example, in district development plans). This bottom-up participation of citizens in planning and policy formulation is crucial to ensure that development interventions and projects are based on the real needs of the population and address the most pressing problems. Secondly, in the field of monitoring (watchdog role), CSOs have tracked resources to ascertain potential mismanagement and embezzlement of public funds, evaluated service delivery, and researched the incidence of corruption. Thirdly, in terms of awareness-raising (sensitisation), some Rwandan NGOs have carried out campaigns to empower citizens to make their voices heard, to illustrate their rights, and to explain complex issues such as the national budget using plain language and tools including radio, posters, and leaflets.

“Bottom-up participation of citizens in planning and policy formulation is crucial to ensure that development interventions and projects are based on the real needs of the population and address the most pressing problems.”

In spite of this long list of activities, Rwandan civil society is still relatively weak, “lacking depth and experience”,⁹⁴ less vocal and vibrant than in neighbouring East African countries. At the same time, citizen participation is also an area which needs improvement, as acknowledged by the government itself: for example the Decentralisation Implementation Plan (DIP) for the years 2011–2015 defines citizen participation as one of its seven strategic areas while the National Decentralisation Policy states that its goal is “to deepen and sustain grassroots-based democratic governance” by, among others, “enhancing citizen participation”. However, voice and accountability seem to be lagging behind compared to other aspects of social and economic life in Rwanda, such as school enrolment, child mortality, or prevalence of HIV/AIDS, in which the country has achieved considerable results. For example, the 2012 World Bank's World Governance Indicators score Rwanda

94 Joint Governance Assessment (2009).

high on many indicators, for example, control of corruption with a score of 69.7, but for voice and accountability it gives the country a very low score of 14.22 (on a scale where 0 is the lowest and 100 the highest). Overall, Rwanda – which tends to perform better than its neighbours in many fields – in this indicator is well below the other East African countries.⁹⁵



Elder Rwandan man from Njamagabe

What are the challenges faced by Rwandan civil society?

CSOs are generally highly dependent on foreign donors, have little technical capacity (in terms of management, but also of specific skills such as research or communications), and limited human resources with high staff turnover. Some CSOs also have limited independence from the political power, or perceive distrust by the government and thus apply self-censorship. In general, most local NGOs see themselves as partners of the government rather than watchdogs, thus limiting their potential as accountability bodies. Indeed the government, despite granting formal registration to most national and foreign NGOs, seems to still be reluctant to consider CSOs as full political actors with a watchdog and counterweight role – tending to see them rather as service providers that complement the state's actions.

95 Compare for example Burundi 21.80, Kenya 39.34, Tanzania 41.71, and Uganda 33.65.

Moreover, the few CSOs engaged in governance issues are predominantly based in Kigali and thus do not necessarily have strong links to citizens in rural areas, which constitute the large majority of the country's population. For all these reasons, a vibrant civil society has yet to develop in Rwanda. It must be pointed out that some of these challenges are quite common to CSOs from developing countries, such as limited financial capacity, high turnover of staff, or difficulty in raising funds from sources other than foreign donors; at the same time, other challenges seem to be more typical (though not unique) to Rwanda, particularly the self-censorship and limited independence from the political power.

Another important accountability actor, closely linked to civil society, is the media. In Rwanda the media played a tragic role in the lead up to the 1994 genocide, when the government at that time used the infamous Radio Télévision Mille Collines as a tool to spread ethnic hatred and incite violence. The consequence is that twenty years later, the government is still reluctant to grant press freedom and accept open dissent in the media. This is consistently certified by a wide range of observers such as Reporters Without Borders, whose 2013 world press freedom index scores Rwanda 161st out of 179 countries.⁹⁶ At the same time, media practitioners themselves sometimes lack professionalism and integrity; many journalists have limited capacity, and sometimes focus on futile news or questionable topics. Whether it is more the government or the journalists who are responsible for the situation, it is clear that Rwandan media does not play a strong scrutiny and accountability role. This, in turn, also affects CSOs, because a vibrant and professional media can be CSOs' best ally in holding authorities accountable, enhancing transparency, and exposing wrongdoings.

However, all parties – the government, development partners, and CSOs themselves – are increasingly aware of the challenges faced by civil society. The government is slowly transitioning from distrust to partnering with some NGOs. Donors increasingly see supporting civil society as complementary to their work with the government, and some CSOs are working hard to increase their technical skills, human resources, and financial capacity. This combination of factors led to the innovative activities and projects mentioned earlier: a step in the right direction.

“Civil society is therefore a means for citizens to participate in the public domain, but it is also one of the key actors to hold public institutions accountable, to contribute to policy formulation, and to monitor how taxpayers' money is spent.”

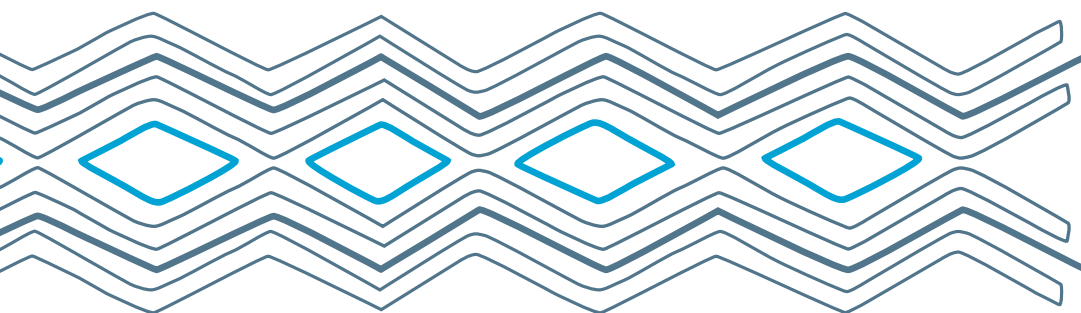
96 Reporters Without Borders (2013). “2013 World Press Freedom Index”. <<http://en.rsf.org/press-freedom-index-2013,1054.html>>

An active and independent civil society: A key to achieving good governance

Civil society is one of the key features of good governance. Indeed, a vibrant, active, and independent civil society can provide an important framework for citizens to express and aggregate their needs, concerns, and demands, and offers a channel to convey them to the government. Civil society is therefore a means for citizens to participate in the public domain, but it is also one of the key actors to hold public institutions accountable, to contribute to policy formulation, and to monitor how taxpayers' money is spent. At the same time, it is also crucial that citizens are aware of their rights, have the capacity to engage with authorities, and are willing to make their voice heard. Furthermore, there also needs to be a government which encourages citizen participation, is transparent in its activities, and is open to dissenting opinions. This means that for civil society to perform an active accountability role, it is of course crucial to focus on NGOs themselves, strengthen their capacity, increase their funding, and build their skills, but it is equally important to improve the overall governance environment. In turn, in order to develop and consolidate such an open governance system, the effort of all actors is needed, from the government to local authorities, from NGOs to the private sector, and development partners can also play a role in supporting this process without imposing their own models.

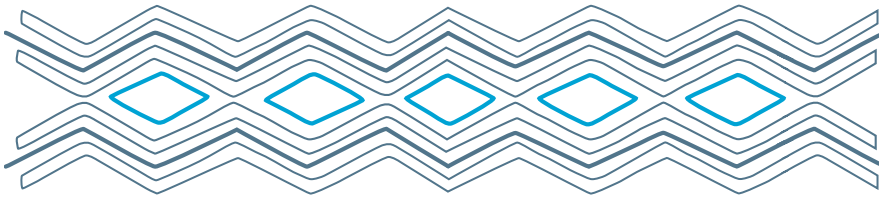
Such a process towards open and democratic governance is a long one and cannot be achieved overnight. Rwanda has come a long way from the ashes of genocide, but only by strengthening transparency, accountability, and citizen participation will it become a model of good governance. In this process, CSOs play a crucial role as they can represent, articulate, and convey citizens' needs and proposals in a bid to improve dialogue with authorities, identify the best solutions to people's concerns, and deal with potential conflicts in a peaceful and constructive way. The example of the suggestion boxes project with some authorities shifting from open scepticism to appreciating the outcome of the initiative, shows that change is possible and has already started. A CSO realising its accountability potential and a government official understanding that citizen monitoring contributes to the development of the country – these are important signs that accountability is being strengthened. There is still a long way to go, and in this sense CSOs, far from being mere service providers, can and should play a bigger role as an essential pillar of accountability and citizen participation. That is why it is crucial for Rwandan civil society to continue growing, becoming more professional, influential, and visible.

“Rwanda has come a long way from the ashes of genocide, but only by strengthening transparency, accountability, and citizen participation will it become a model of good governance.”



Accountability Measures for Better Service Delivery – Citizen Report Cards

by Vaclav Prusa



Evidence-based policy making in Rwanda

All across Africa the demand for evidence-based policy-making is greater than ever before. Governments across the continent have accepted that “good” decision-making and accountability is almost impossible without reliable and transparent data. This is true especially for cash-strapped, developing countries, where wise choices need to be made concerning public spending.

While there is no shortage of policy research and advice, the missing link is the capacity and motivation to utilise the evidence-based findings in government decision-making. Rwanda stands out on the continent as a country with an innovative approach in its governance domain. *Imihigo* performance contracts for all public offices are prominent examples of vertical public accountability mechanisms, which have contributed to the reconstruction and transformation of the Rwandan public administration beyond recognition.⁹⁷ The firm commitment to turn costly research and monitoring exercises into responsive policy actions is not empty rhetoric in Rwanda. As the previous Minister of Local Government Protais Musoni puts it, “[the Government of Rwanda] is impatient for the evidence of our work and the answers.”⁹⁸

97 Imihigo performance contracts are anchored in traditional Rwandan culture. Performance contracts set local priorities and define annual targets for all public institutions and individuals. The achieving of targets is rigorously assessed at all levels of the Government of Rwanda through public hearings.

98 Protais Musoni (21 May 2013). Rwanda partners with Massachusetts Institute of Technology to accelerate economic growth and development. Kigali.

The Citizen Report Card (CRC) survey presented here is a tool aimed at monitoring service delivery, specifically the readiness of Rwanda to utilise scarce resources and turn them into tangible improvement of quality of life for all Rwandans. The CRC also stands as an example of how the Rwandan public administration links the citizens' perspective into the process of bringing service delivery closer to the citizens through local governments.

Public accountability mechanisms in place

The provision of service delivery has gained prominence and is one of the top priorities of the Government of Rwanda. Improved service delivery has been recognised as instrumental in achieving ambitious socio-economic development targets outlined in the Vision 2020. If citizens do not receive vital services such as land certificates on time, if the most vulnerable are not registered into the *Ubudehe* social scheme correctly, or if official documents are not processed, the consequences for the wellbeing, poverty levels and, in turn, citizens' satisfaction, will be immense.⁹⁹

“The provision of service delivery has gained prominence and is one of the top priorities of the Government of Rwanda.”

With the rapid expansion of public administration units through 30 districts, 416 sectors, 2,148 cells, and 14,837 villages throughout the country under the frame of the decentralisation process, Rwanda acknowledges the need to receive feedback on the quality and quantity of decentralised services. These are delivered through the various, previously mentioned, levels of local government. The main institution in charge of monitoring service delivery and the decentralisation process is the Rwanda Governance Board (RGB), a strategic partner of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), mandated to formulate policy proposals and provide advice to the Government of Rwanda on issues related to the rule of law, service delivery, citizen participation, and observance of accountability. Public accountability mechanisms are put in place through regular research and surveys; the findings are directly linked to the Cabinet and sector ministries in charge of policy implementation and provision of service delivery.

⁹⁹ Ubudehe is a governmental social-welfare programme disbursing financial credit and grants and granting free access to education, health care, and other public services to the most vulnerable groups of the population. Between 2001 and 2012, 25 million EUR have been disbursed, according to the Government of Rwanda. In 2008, Ubudehe won the United Nations Public Service Award for global excellence in public service provision.

Citizen monitoring of service delivery

One of the flagship research endeavours of RGB is a tool called CRC. This annual survey is meant to assess and evaluate the quantity and quality of service delivery provided by local government entities. The CRC is an ‘imported’ tool to Rwanda; it first emerged in India in 1993 where civil society developed a simple perception-based survey about the quality of public services in the local government. Since then, the tool has been adopted by dozens of developed and developing countries alike as a gauge of the public ‘mood’.

“Public accountability mechanisms are put in place through regular research and surveys; the findings are directly linked to the Cabinet and sector ministries in charge of policy implementation and provision of service delivery.”

In Rwanda, community-based scoring has had a relatively long tradition. Civil society organisations have driven local surveys on selected public services usually targeting sectors such as education, health, land issues, etc. However, governmental institutions have also exclusively conducted nationwide studies. As early as 2006, the Ministry of Local Government commissioned the first CRC exercise, yet, the thematic focus was very narrow and included only citizens’ voices on health and education. Furthermore, the sample included only 800 households making it impossible to develop specific policy actions. The ‘new generation’ of CRCs, however, was piloted by RGB in 2011. The thematic focus became much wider and expanded into a wide range of services in agriculture, justice, sanitation, and water. The data collection process, analysis of data, and resulting policy recommendations evolved into a more complex, rigorous, and more professionally managed exercise.

The last available CRC data comes from 2013. Up until now, this survey is the most comprehensive in terms of sampling and service delivery areas monitored. Thematically, the services in focus are divided into eight areas: education, agriculture and livestock, the general performance of local government, infrastructure, health, socio-economic welfare, land services, and governance issues. Yet, the greatest improvement comes from a significant increase of the sample of respondents. The sample size reached an impressive 11,025 households in all 30 districts.¹⁰⁰ This

¹⁰⁰ Umwihereho brings together leaders from the central to local government, to reflect on the achievements and challenges anticipated to have taken place over the past year as well as priorities for the year to come. This retreat focuses mainly on delivery of the Government of Rwanda’s mid-term goals (EDPRS, Presidential Manifesto), long-term goals (Vision 2020), and the Millennium Development Goals (2015).

means a 1,300 % increase from the first governmental commissioned CRC in 2006. This expansion comes as a result of the directive issued by *Umwiyerero*, the National Leadership Retreat in 2013. The request to stratify the findings and issue tailor-made recommendations for every district came from the Cabinet, underlining the interest and commitment in informed policy making for delivery of better public services.



A Rwandan boy with strength, Kigali

Trends, successes and challenges in monitoring of service delivery in Rwanda

The evolution of CRCs in Rwanda illustrates a number of broader trends in the management and transformation of public administration in Rwanda. First and foremost, the significant increase in the scope and sample underlines the need of policy makers to have a comprehensive and locally-specific picture about the reality of service delivery. The first CRCs enabled only superficial and generic recommendations in the sector of education and health. Today, specific recommendations in eight sectors and all 30 districts provide tremendous potential for resource-utilisation through specific actions. Actions are periodically reviewed and embedded in the governmental planning and monitoring cycle through events

such as *Umwihereho*. Increasing the number of classrooms in Bugesera District, extending the repayment period for credit for farmers, or greater say of citizens on infrastructure projects are all examples of geographically-specific and thematically detailed recommendations coming out of the last CRCs.

Secondly, a decade ago, community-based assessments and other monitoring tools were understood by the central government as punitive measures used for disciplinary actions against non-performing local government service providers. Although this mentality still partially prevails, the quality and constructiveness of many recommendations points to the new approach, where learning from mistakes and seeking effective solutions under current constraints is more important than punishing negligence and errors.

“Local governments are growing more receptive to the needs of their clients and are learning to act within their role as decentralised service providers. Most importantly, through the use of accountability tools such as CRCs, citizens are able to voice their concerns and demand better quality and quantity of services.”

Thirdly, a more systematic and professional approach is both a consequence and reaction to the phenomenon of the establishment of the ‘social contract’ between the citizens and the government. Maybe for the first time in Rwanda’s history citizens have started demanding minimum service provision from their local administrations. Public accountability mechanisms such as CRCs have become important performance tests helping the government to fulfil their part of the social contract.

Nevertheless, the methodology, data analysis, and implementation of policy measures stemming from the CRCs face various challenges. The survey is based on perception of the citizens, and especially in the area of service delivery, the expectations of the citizens almost never match with the reality. The international experience shows that perceptions at times radically differ from the reality.¹⁰¹

In the case of Rwanda, the CRCs are administered from a governmental institution, which creates a logical bias towards the potential danger of discounting negative findings. No government in the world likes receiving bad marks for service delivery from its citizens. Moreover, the mind-set of the central and local governments as

101 Compare Ringold et al (2011). Citizens and Service Delivery. “Assessing the Use of Social Accountability Approaches in Human Development.” The World Bank, Washington

well as the citizens may tend to twist results rather more positively. Despite the push from the Cabinet and the President himself for ‘objective results,’ genuine interest in the real impacts of public policies and the perception of the performance of public service may sometimes be challenged by the fear that negative reporting could have unfavourable consequences.

“Despite the methodological and contextual challenges, public accountability measures such as CRCs are making a difference in the life of the citizens.”

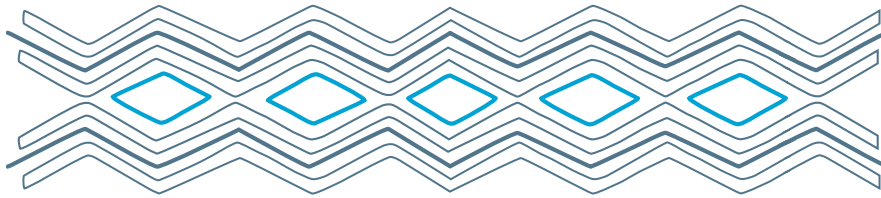
Despite the methodological and contextual challenges, public accountability measures such as CRCs are making a difference in the life of the citizens. The implementing institutions and the officials are gaining skills that enable them to obtain more accurate results, thus allowing them to formulate more tailor-made recommendations in underperforming areas of service delivery. Line ministries and other implementing agencies link their resource allocation and quality assurance to areas that do not perform. Local governments are growing more receptive to the needs of their clients and are learning to act within their role as decentralised service providers. Most importantly, through the use of accountability tools such as CRCs, citizens are able to voice their concerns and demand better quality and quantity of services.



Sign for the governmental anti-corruption campaign, Kigali

Women in Rwanda – Decision-making at the National and Local Levels

by Maia Gedde



Anyone passing through Huye, Rwanda's second city, must make a stop at *Nzozu Nziza*. This little shop – whose name means *sweet dreams* in Kinyarwanda – sells delicious ice cream, homemade cakes and juices. It is run by the women of Rwanda's only female drumming group, inspired and supported by Odile Gakire Katese, better known to friends as simply *Kiki*. "Despite the fact that we have travelled around the world to give concerts with our drums, we aren't able to make a living from drumming," she says. "The shop allows the women to make an income and continue their passion for drumming. Some come from very poor backgrounds, from abusive relationships or are widows."



Nzozu Nziza ice cream shop, Butare

This group of women is quite special. Not only did they set up the first ice cream shop in Rwanda but they are also the first and only group of women drummers. The group emerged over ten years ago from the then National University of Rwanda's (NUR) Centre for Dramatic Arts, which was under Kiki's leadership for ten years. "We tried many art forms to engage more with the local community: contemporary dance, writing, theatre; but they didn't work so well. The moment the women started playing the drums, they were hooked. They came early for practice and I would have to throw them out late at night," Kiki recalls. When you see them in concert you understand why; their faces are alight and the rhythms mesmerising. "When we play the drums it is magical, and we don't want to stop."

Social taboos

Rwandan drums, which are chest-high and are played standing up, usually with long sticks, were traditionally only played by men. Drumming was in fact forbidden for a woman. “As a royal instrument, women were not even allowed to touch the drums. If a drum was out in the rain for example, it couldn’t be brought in by a woman. Men were the only ones allowed to touch a drum.” Kiki laughs at this. „In fact there was such joy in playing the drums, I begin to wonder if it was all joyful things that were forbidden to women. Of course, now we find goat meat¹⁰² is delicious too!” she smiles.

Ten years later the group of drummers is still going strong. They all come from different backgrounds, some very poor from the villages, others from Huye town. They also range in age from young women to those over sixty. What they have in common is a lot of time – and the joy and purpose that drumming has brought to their lives since the war. But perhaps another thing that unites them is that by being a women-only drumming band, they are pushing the cultural barriers for women.

Historically, Rwanda was a patriarchal society, characterised by unequal social power relations between men and women, boys and girls. These relations were translated into male dominance and female subordination.¹⁰³ “There were some female role models, however,” says Mary Balikungeri, the founder and director of Rwanda Women’s Network (RWN). “In pre-colonial times the Queen Mother always had an important influencing role over the King, and carried a lot of weight within the country.” Although the older generation still remember the Queen Mother fondly, a younger generation of girls are looking to new role models.

The winding road to women representation

As a country which tops the World Bank indicators for numbers of women in parliament, strong female role models are not in short supply. Indeed, Rwanda is the only nation where females make up the majority of parliamentarians – holding 51 of 80 seats – 64 % of the seats.¹⁰⁴ The world average for women in Parliament is under 20 %.¹⁰⁵

¹⁰² Eating goat meat was also a cultural taboo for women prior to 1994.

¹⁰³ Women Win 64 % in Parliamentary Elections, (23 Sept. 2013) <<http://www.gov.rw/Women-win-64-of-seats-in-parliamentary-elections-mai?lang=en>>

¹⁰⁴ Next up, but still 10 percent points behind this leader is Sweden, with just under 45 % of women in parliament.

¹⁰⁵ The Economist, (9 May 2012). Women in Parliament <<http://www.economist.com/blogs/graphicdetail/2012/05/focus-1>>

This is a dramatic achievement in a country where women first gained the right to vote in 1961, following independence from Belgium, and the first female parliamentarian did not begin serving until 1965. Indeed, prior to 1994, women never held more than 18 % of seats in the country's parliament. So what in Rwanda's post-genocide path to reconstruction has prompted this transformation in the role of women and propelled their great leap forward?

"It was after the genocide things started to change. We saw that it was the women who had to pick up the pieces of the broken society," says Mary Balikungeri. "The men had either been killed or fled the country. This put women in a powerful position and they needed to take charge to lead the country forward and rebuild society. They assumed roles as heads of household, community leaders, and financial providers, meeting the needs of their devastated families and communities. They suddenly accessed the public sphere and had to get involved in activities which were previously reserved for men." In the immediate aftermath of the genocide, the population of Rwanda was made up of 70 % women and girls.¹⁰⁶ Today, women remain a demographic majority, comprising 54 % of the population.¹⁰⁷

Claudine Uwineza attributes a lot of what women have been able to achieve in the country to the current leadership. "I feel that one of the key drivers behind women's leap forward is His Excellency, Paul Kagame, who has told women that they are capable of contributing to the growth and development of the country as much as men," she says. Within Kagame's government, there are many prominent women who were once part of the Liberating Rwandan Patriotic Front. They are invariably highly educated and strong-willed.



Claudine Uwineza, Vice Mayor of Economic Affairs, Kamonyi District

During the nine-year period of post-genocide transitional government, from 1994 to 2003, women's representation in Rwanda's Parliament (by appointment) reached 25.7 %. This, together with the strong Women's Council, were able to get a new gender-sensitive constitution adopted. Over the next ten years the number of female parliamentarians more than doubled. How did this small traditionally male-dominated country make this happen?

106 Women's Commission for Refugee Women and Children, (1997). *Rwanda's Women and Children: The Long Road to Reconciliation*. New York: Women's Commission, p.6

107 Table 1a: Population size. United Nations Statistics Division, (2012). <<http://unstats.un.org/unsd/demographic/products/indwm/>>

The quota system

The Rwandan national constitution, adopted in June 2003, introduced quotas which stated that at least 30 % of women should be in decision-making positions. In addition to the constitutional guarantee and the quota system, an innovative electoral structure has helped to increase women’s representation further; 24 of the 80 seats in the Chamber of Deputies (30 %) are contested in women-only elections. The elections are coordinated by the national system of women’s councils, in which only women can stand for election and only women can vote.

In addition to the reserved seats women are, of course, also elected in openly competed seats. In the first post-genocide parliamentary elections of October 2003, women won 49 % of seats in Rwanda’s Lower House of Parliament.¹⁰⁸ In the 2010 elections this increased to 56 %; the 24 seats included in the quota, plus an additional 21 openly-contested seats.

ORGANS – NATIONAL LEVEL	MALE	FEMALE
Deputies (Members of Parliament)	38 %	64 %
Senators	65 %	35 %
Ministers	73 %	27 %
Ministers of State	67 %	33 %
Permanent Secretaries	50 %	50 %

Source: Gender Monitoring Office (GMO), 2011, Key Gender Indicators and Baseline in Four Sectors

However, despite the large number of female members of parliament, female senators, ministers, and ministers of state still lag behind, just reaching the 30 % quota, pointing to some persisting challenges. Furthermore, as might be expected, there is an observed status difference between those seats that are reserved for women and those that are gained in open competition with men, at both the local and the national levels.¹⁰⁹ The figures at the national level are impressive, but how far do they reflect what is happening at the local level and in wider society?

108 Inter-Parliamentary Union (IPU) (23 Oct. 2003). Press Release No.176: "Rwanda Leads World Ranking of Women in Parliament." Geneva. <<http://www.ipu.org/press-e/gen176.htm>>
109 Powley, Elizabeth. Women in Parliament: Beyond Numbers. "Rwanda: Women hold up half the Parliament." <<http://www.idea.int/publications/wip2/upload/Rwanda.pdf>>

Women in local government

Rwanda’s decentralisation policy, adopted in 2001, opened up new possibilities to stimulate women’s participation in local decision-making processes. But as decentralisation created an increasingly powerful local government, it also became more attractive to men. This resulted in women being particularly disadvantaged by the devolution of power.¹¹⁰ The challenge was therefore how to promote equal representation of women at the local level, where traditional and patriarchal norms tend to operate more strongly.

“In the position you have to be strong at convincing people why one project should be pursued over the other; what will be best for the district. Many people think that women will not be good at this role.”

The constitution provided a strong platform for mainstreaming gender in all sectors, and local quotas were also introduced. In the 2006 local elections, an unprecedented number of women were elected or appointed to decision-making positions. However, at district level, things aren’t going so well for women. Exactly 33.3 % of three-person district executive committees are female, suggesting a merely nominal fulfilment of quotas. Furthermore, women at this level usually take on the role of vice mayor of social affairs, a position which is seen to be more socially acceptable for women. Only five are in charge of economic affairs – and only three of thirty district mayors are women.

	MALE	FEMALE
Mayors of Districts	90 %	10 %
Vice Mayors for Economic Affairs of Districts	83.3 %	16.7 %
Vice Mayors for Social Affairs of Districts	16.7 %	83.3 %

Source: GMD, Key Gender Indicators and Baseline in four Sectors, July 2011

110 Powley, Elizabeth (April, 2008). Engendering Rwanda’s Decentralisation. The Initiative for Inclusive Security.
http://www.inclusivesecurity.org/wp-content/uploads/2012/08/1091_engendering_rwandas_decentralization.pdf

As national vice mayor of economic affairs, Claudine Uwineza is the exception to this rule. Asked why women don't go for this role she says, "In the position you have to be strong at convincing people why one project should be pursued over the other; what will be best for the district. Many people think that women will not be good at this role." This goes with the stereotype that men should take care of economic or financial matters.

As we move down the decentralised structures, the percentage of women is even less, with the exception of cell level, which is the lowest level in the decentralised process.

	MALE	FEMALE
District Executive Secretaries	93 %	7 %
Sector Executive Secretaries	91 %	9 %
Cell Executive Secretaries	62 %	38 %

Source: GMD, 2011, *Key Gender Indicators and Baseline in four Sectors*

It is also important to note that while elected positions have a quota, technical positions do not. Women's representation in technical and administrative positions in local government is as low as 3 % to 8 %. So, while women have taken great strides since the constitution was adopted in 2003, barriers still remain.

Barriers to equal participation

Development partners have supported the role of women in local government. Training for potential female candidates has proved to be extremely effective when it provides role models to build women's self-confidence, allows for candid discussion in a safe environment, and passes on useful experiences and concrete skills, such as strategies for campaigning.¹¹¹ "I feel we women are really privileged to be where we are today, in an environment which makes opportunities for us to excel in," says Mary. "And as a Rwandan woman returning from Europe to help rebuild my country I see so many opportunities".

111 Powley, Elizabeth (April, 2008). *Engendering Rwanda's Decentralisation. The Initiative for Inclusive Security*.
http://www.inclusivesecurity.org/wp-content/uploads/2012/08/1091_engendering_rwandas_decentralization.pdf

But women also have to be prepared to take up these opportunities, both personally and professionally. After the genocide when women were *de facto* forced to take leadership roles, many were hardly prepared, which hindered their performance and society's perception of them. Despite the fact that Rwanda is one of the few countries on track to meet the Millennium Development Goals, it is still a country in development. The great majority of Rwandan women are disadvantaged vis-à-vis men with regard to education, legal rights, health, and access to resources. In Rwandan culture, girls and women who are modest, bashful, and shy are traditionally seen as attractive – and these cultural perceptions persist.

While culture is by no means static, and there have been significant efforts to engender Rwanda's development, when it comes to gender roles and relations, change is slow but happening. The rhetoric that people have learnt in relation to gender relations does not always play out in practice, and in rural areas these traditional attitudes tend to prevail. This can make it particularly difficult for women to work in government, if they so choose.

“Development partners have supported the role of women in local government. Training for potential female candidates has proved to be extremely effective when it provides role models to build women’s self-confidence, allows for candid discussion in a safe environment, and passes on useful experiences and concrete skills, such as strategies for campaigning.”

Women also bear family responsibilities very heavily. “I cannot say it’s easy,” says Vice Mayor Claudine Uwineza, who has three young children – the youngest of whom is two years old – and whose husband has a senior role in a different district so is not at home during the week. “You have to wake up early to prepare your children for school, work many hours per day, then try to be home early enough to help them with their homework, but often you are back late. At the beginning they would ask me, ‘Mummy why do you always come late?’ but I explained to them and now they understand.” Wider family also puts great pressure on women to attend social events such as weddings. “If you can’t attend, or only come for a few hours, people start talking. They say you are sacrificing your family, and judge you more if you are a woman. If a man was doing that, it would be more acceptable,” says Claudine.

The impact of such cultural norms means that women have to be particularly headstrong to achieve these career objectives. First, there is the pressure of the family, community and religious institutions on women to conform. Secondly, women themselves internalise their roles. Claudine agrees that many of the challenges that women face are their own internal aspirations and cultural perceptions, which are both linked to confidence. “Sometimes the mentality of women can be their own handicap,” she says. “They think they are not good enough, they cannot do it – so they don’t. But women can do as much as a man. There *are* role models,” Claudine reminds us emphatically.

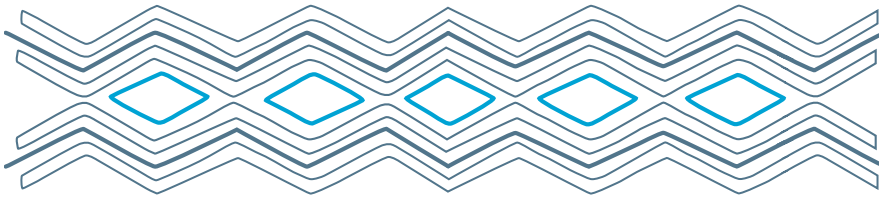
“Women have played a crucial role in the post-war reconstruction of the country – indeed, it is widely recognised that women in leadership positions are pivotal for the development and stabilisation of a post-conflict country.”

In post-genocide Rwanda the demographic imbalance forced women to think of themselves differently and to develop skills to assume new roles. Women have played a crucial role in the post-war reconstruction of the country – indeed, it is widely recognised that women in leadership positions are pivotal for the development and stabilisation of a post-conflict country. However, while statistics show us that Rwandan women are taking an unprecedented lead at the national level over and above other countries, culture and convention conspire against them at the local level.¹¹²

112 Additional reference: Rwanda Governance Board (Sept. 2013). “Increasing the share of women in leading administrative positions at local government level in Rwanda.”

A Glimpse of Collaboration Between Civil Society and Local Government

by Laetitia Klein and Dominique Habimana



The Rwandan Government acknowledges the importance of citizen participation in different policy and planning papers such as the Economic Development and Poverty Reduction Strategy (EDPRS) and the Decentralisation Implementation Plan (DIP). The DIP is now in its third phase (2010–2015) and evaluations of the first two phases show that there are still challenges to be faced, especially in the fields of “volunteerism, participation, accountability, and democratisation.”

In Rwanda, there are various platforms of collaboration between civil society and local government, some of which are more formal, others less so. The platforms are used by local governments to learn about citizen needs and priorities and offer opportunities for civil society to participate in decision-making and local development. Civil society organisations (CSOs) often create the link between the cooperation of local governments with their communities. Sometimes the CSOs are invited by the government to do so, but in other instances the government is invited by the organisations. The following models illustrate good practices from Rwanda:

Collaboration in strategic planning

District Development Plans (DDP) and their budgets constitute the key development policy containing local priorities and are to be aligned to the EDPRS. The DDP sets objectives, provides orientation for all stakeholders, and plans resource allocation that frame the district development activities and common development vision for five years. Following the results of the evaluation of the DIP’s first phase, the Rwandan Government advised district authorities to organise public forums during the preparation of the District Development Plans in order to increase citizen participation. CSOs play a crucial role in the process to ensure that citizens’ needs and priorities are collected properly and reflected in the district plans.



Woman speaking during radio debate, Gasabo District, Rutenga Sector

In the scope of the Decentralisation and Good Governance Programme implemented by the German development cooperation through Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the civil society network *Initiative pour la Participation Citoyenne* (IPC, Initiative for Citizen Participation) is being supported. The IPC and the Nyamagabe district authorities joined forces to gather citizen priorities and integrate them into the District Development Plans for a period from 2013 to 2018. Citizen priorities were identified through public fora on cell level to be as close to the citizens as possible. Being supported by the local authorities, the process became a real success and thus was repeated throughout the entire district. Afterwards, the results of all cells were merged and ten priorities were identified at sector level. A matrix summarising the priorities of approximately 350,000 inhabitants was given to the local government and the Ministry of Economic Planning and Finances (MINECOFIN) to include these priorities in the new DDP. This strategic planning process presents a successful collaboration between civil society and local authorities.

Collaboration in monitoring and evaluation

The *Imihigo* performance contracts are the major annual planning and monitoring tool for local governments in Rwanda.¹¹³ Through this tool, local government can formulate its objectives and activities based on the national priorities. The aim is to improve the pace, quantity, and quality of implementation of governmental programmes and to make public agencies more effective. In this regard, *Imihigo* constitute the most important framework under which CSO and local government collaboration can yield significant quick wins for citizens. Unfortunately, the opportunity for CSOs to influence the design of *Imihigo* is still insufficiently being used, although CSOs currently *are* officially part of *Imihigo* evaluation commissions. This is an important success for the collaboration and exercise of civil society's role in holding local leaders accountable.

Live radio debates

CSOs organise different public dialogues, community debates, radio programmes, or exchange meetings in which topics concerning local development are discussed in the presence of authorities and citizens. Radio debates contribute to accountability by providing a space for citizens to voice their views and concerns by directly engaging with leaders on topics such as local development. Given the predominant oral culture in Rwanda, radio is the most important means of communication.

“Radio debates contribute to accountability by providing a space for citizens to voice their views and concerns by directly engaging with leaders on topics such as local development.”

As preparation, CSO start by systematically identifying and studying the most prevalent issues in the communities. They conduct interviews with citizens and compile reports that are submitted to local officials before the live radio session. Generally, concerns raised are related to implementation of national policies. Local authorities consider the radio debates as a beneficial framework to receive citizens' feedback and citizens get direct commitments from the authorities.

¹¹³ Imihigo are agreements on development targets which are signed between each district and the central government and which have to be achieved during one year.

Conclusion

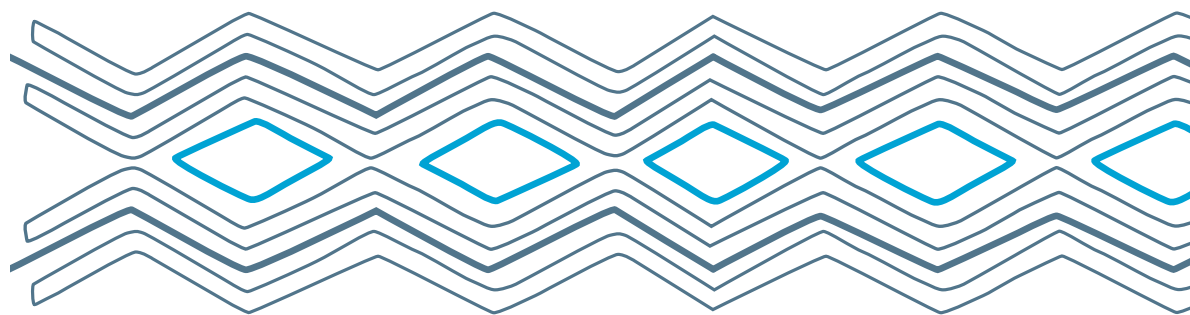
The examples described here show that CSOs and government are willing to collaborate and that common grounds between both can be reached. Despite the many positive examples, however, citizen participation often remains limited to information sharing and consultation. Often, government priorities are still implemented in a top-down manner. There is still room for more cooperation and collaboration between local government and CSOs in order to better serve the population.

On the bright side, the successfully implemented activities aimed at informing and drafting the DDP through good cooperation between local government and CSOs, using a bottom up approach, make more and more Rwandans aware of their possibilities for engagement. Citizens are progressively using these chances to participate in the development of their communities.



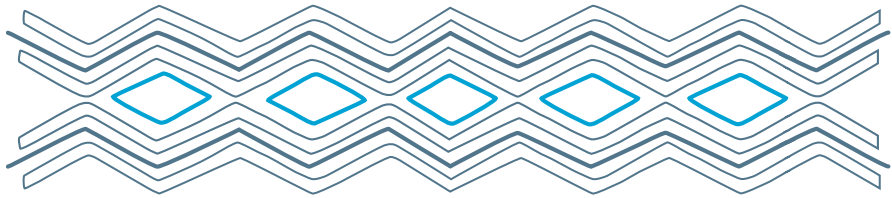
Citizen discussion during radio debate, Gasabo District, Rutenga Sector

*“Citizens are progressively
using these chances to
participate in the development
of their communities.”*



Transparency International for Good Governance

by Minna Nauc  r and Francine Umurungi



Compared to its neighbouring countries, Rwanda is well governed. According to the 2013 East African Bribery Index, Rwanda's level of bribery lies at 4.4 %, which is the lowest in East Africa (Uganda is in the lead with 26.8 %, Burundi follows with 18.6 %, Tanzania with 12.9 % and Kenya with 7.9 %).

Think global – Act local

Transparency International is a global movement in the fight against corruption, comprising over a hundred national chapters in addition to individual members. Representing the coalition in Rwanda, Transparency International Rwanda strives to promote good governance, prevent corruption, and lobby for policy change with the implementation of a comprehensive anti-corruption framework. The organisation engages in outreach activities to inform the public about their rights, supporting citizens to hold public officials accountable, and facilitating debates and exchange on how to reach a common solution to disputed issues. Where systemic deficiencies are identified, they are brought up to the national legislative level as the subject of advocacy campaigns to address these shortcomings.

“Rwanda’s level of bribery lies at 4.4 %, which is the lowest in East Africa.”

In cooperation with the Decentralisation and Good Governance Programme supported by the Deutsche Gesellschaft f  r Internationale Zusammenarbeit (GIZ), Transparency International Rwanda focuses on improving service delivery at the local level. Since the Rwandan governance structure is technically rather efficient due to the decentralisation process implemented in recent years, it is important to emphasise the involvement of citizens in the planning and implementation process of public works and service delivery at the local level. Many times there are not

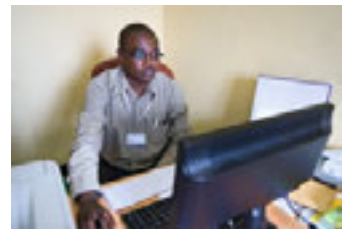
enough resources to involve citizens in the decision-making process, resulting in a lack of comprehension, and resistance to reforms. Initiatives are often hastily carried out without the timeframe necessary to consult the population, as local authorities have specific targets to meet on a tight deadline due to the use of *Imihigo* (performance contracts outlining the targets of each district and institution). GIZ and Transparency International Rwanda seek to empower citizens to engage with the authorities in the delivery of services and planning of public works.

Mechanisms for citizen participation

The tools for monitoring service delivery and increasing citizen participation are, among others, suggestion boxes, where citizens can comment on the quality of the service they received. The results are later compiled and discussed with the local authorities to find solutions to systemic problems.

In the area of procurement, Transparency International Rwanda is running the Integrity Pact project, establishing an agreement between authorities and bidders to disclose all information and carry out the process in a transparent manner. Using this information, the citizens benefitting from the public works being procured can participate in the planning process and monitor the implementation.

Transparency International Rwanda also provides legal assistance through their Advocacy and Legal Advice Centres (ALAC). The Centres receive citizens who feel they have been victims of corruption, and advise them where to take their case and complaint. If the responsible authority does not address the issue, the ALAC can also advocate on the behalf of the citizens for a speedy solution of the problem.



Transparency International, Butare

Transparency International Rwanda also works in the field of public financial management, for instance, in the analysis of the Auditor General's Report providing an evaluation of the 30 districts' financial management published every year. The results are disseminated to the local authorities being audited, and many times the findings show that there is a lack of knowledge among the elected councillors and resources for the responsible person to fully carry out their tasks and budget oversight.

In addition, Transparency International Rwanda carries out activities in the field of Public Expenditure Tracking Surveys, Citizens' Report Cards, and Community Score Cards in the framework of programmes funded by other donors.

Diverse challenges: public awareness, lack of capacities, and knowledge of rules and regulations

These activities help raise awareness among citizens, informing them about their rights, but also of their obligations. Many times citizens are not aware of the procedures to follow for the delivery of a certain service, and when they do not receive the service they do not know where to complain. On the other hand, however, the official complaint mechanisms are sometimes inefficient or corrupt, and will not address a citizen's case. The inefficiency is often due to the lack of capacity, and Transparency International Rwanda can then provide an initial diagnosis to share the results and recommendations with partners working on capacity building of local authorities.

“Transparency International Rwanda tries to prevent this kind of corruption by promoting a transparent procurement process and committing the parties to an open bidding procedure, and ultimately a more efficient use of resources.”

In terms of public financial management, studies show that many officials do not follow the guidelines for proper accounting standards, leaving large sums and stock wrongly accounted for – a question of incompetency or corruption. This is also the case in procurement, where officials lack sufficient knowledge to properly apply regulations or schedule the time necessary to involve the local population in the planning and implementation phase. Transparency International Rwanda tries to prevent this kind of corruption by promoting a transparent procurement process and committing the parties to an open bidding procedure, and ultimately a more efficient use of resources. The lack of capacity, non-delivery of services, and substandard accounting all feed into the larger advocacy strategy of Transparency International Rwanda, namely, demanding policy reform or effective implementation of existing policies, and systemic changes to address the deficiencies identified.

On the local level, the most frequently received complaints concern the implementation of judicial rulings. Given the country's turbulent history and some of the largest movements of people in modern times, most of the individual cases are related to property, primarily land (but also real estate), in addition to child support and inheritance disputes. Because of a lack of resources and capacities in enforcing rulings, local authority staff is often not capable to physically or technically enforce judges' decisions. Citizens often complain they are either dismissed or sent back and forth between different institutions that refuse to deal with the matter. Transparency International Rwanda helps by: advising citizens on where to take their complaints;

advocating for local authorities to ensure that citizens are receiving what is lawfully theirs; and on the national level, for a review of the legislation concerning the role of district officials in the execution of court decisions.



Sign of Transparency International, Butare

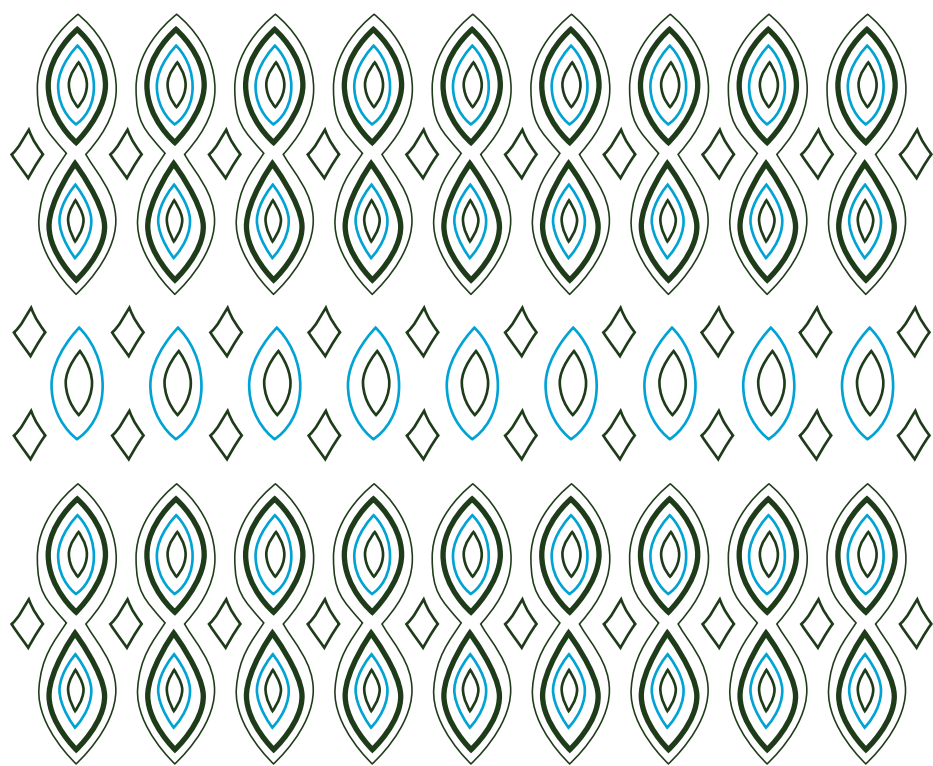
Every franc counts

The efficient use of resources has been particularly important in Rwanda because of the lack of raw materials combined with its landlocked location and high population density. There is a clear political will on the national level to fight corruption, ensure the efficient use of resources, strengthen good governance, and to close loopholes in order to increase accountability. In rebuilding the country and creating a better future, every franc counts, and with the economic and social developments come ambition and hope for the next generation.

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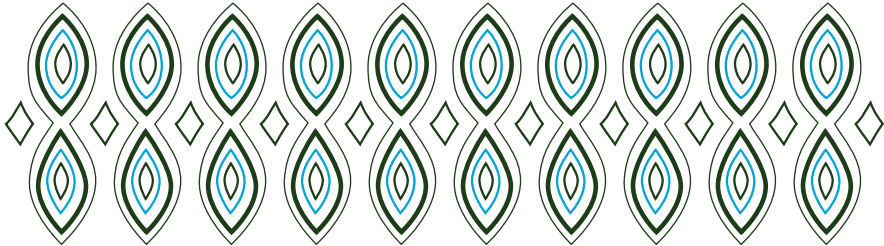


Better Services for Citizens



Enhancing Rwanda's Service Delivery

by Andrew Israel Kazibwe



Rwanda's astonishing growth over the last ten years can be attributed to a number of factors including: strong leadership, low corruption rates, political stability, and partially efficient service delivery. This last factor of service delivery, however, leaves room for improvement. The government provides services both directly and indirectly, through financing of private sector or non-profit organisations. In order for service delivery to be efficient, services need to be both effective and accessible. Services should meet customers' needs. Providers should offer good customer care and quality services, and provide these promptly. In this regard Rwanda has made important gains in service delivery. Efficient service delivery can be interrupted by corruption; with this Rwanda has had tremendous success, as it is ranked among the least corrupt countries not only in East Africa, but on the entire continent, according to Transparency International's "The Global Corruption Barometer 2013."

Rwanda has also made great gains in the scope of service provision, with a united will to offer services from the national level down to the *Umudugudu* level (lowest local administrative unit with up to 200 households). As a result of the government's commitment, services in education, health, and banking have been extended across the country. Even in the remotest areas, nowadays you will see schools, banks, and health centres – a huge improvement in citizen access when compared to the past and an important indicator of growth. The current low corruption rates and far-reaching infrastructure, however, do not always bring the level of service satisfaction a client might expect.

Looking at customer care in the context of service delivery

Imagine you enter a public authority urgently in need of a service. Of course, first you wait a while at the reception before gradually losing patience. What angers you more than the number of idle employees that could attend to you is their blatant

disregard towards you, the customer. Did you ever witness a front desk worker who prefers to answer a phone call, a phone call that then takes more than fifteen minutes? Long enough for you to realise that the call is not a work-related one.

Research shows that poor customer care, an important part of service delivery, is endemic in Rwanda. A 2010 publication by the Institute of Policy Analysis and Research (IPAR), written by Rwanda's Professor Abbott Pamela (Research Director of IPAR), and Gloria Lwakabamba, indicates Rwanda's customer care is among the worst in the region. A case study of the financial sector confirms customer care is far from being seen as an embedded value in the country. Poor customer care and ineffective service delivery are, according to this case study, a result of different deficiencies, including: lack of time management, lack of competition, inexperienced and dissatisfied employees, and a lack of ownership for services provided.

Furthermore, service recipients do not always know to demand better quality. There is a general tolerance of poor service delivery by Rwandans, and non-Rwandans often adapt to accepting bad services for lack of alternatives. Complaints are often not resolved enough to the satisfaction of the complainant and there are rarely formal complaint procedures in place.

Rwanda's two-class society

"Generally nowadays, if you want to access a service, in most public places you are first looked at as an individual and gauged. Most citizens at ground level don't matter as much as the potential or rich ones," says Afrodice, a 29 year-old taxi cyclist from Masaka. Afrodice makes an important point in regards to service delivery: Rwanda can be looked at as a two-class society and it is the low-income earners who bare the brunt of poor service delivery.

Marie, a 23 year-old resident of Kabuga in Gasabo District, extends this analysis to the health sector: "There are cases where the reception of one isn't good at all. Especially in hospitals, we find that a person has to wait long hours to be assisted, yet the case might be an emergency. You find that those in possession of the card of the *Mutuelles de Santé* (social health insurance programme) aren't given the immediate attention required, mainly because they only have to pay 200 Rwandan Franc (RWF) (around 0.20 EUR). Yet those without the card are charged 3,000 RWF (3.15 EUR), so health workers will tend to concentrate more on those charged 3,000 RWF since it is a higher amount." Though Rwanda's system of providing *mutuelle* is deservedly much praised, Marie points out that the individual customer experience does not always align with the picture presented.

Accessing public services – a mixed picture

For many people, day-to-day access to public services is vital, as it is through these services people sustain their lives and wellbeing. But what if in the rush to meet development goals, conversations with those who use these services reveal that lived experiences of services do not always match the promised picture?

“*Mutuelles de Santé* is like of no value for those possessing it these days. It takes long until a patient receives medical treatment, unless one has some money. I possess the insurance just because I respect the law. Even when it comes to accessing treatment, you at most times receive insufficient treatment,” laments Shakira, a 42 year old married woman from Magerwa in Kicukiro District.

Mediatrice, a 32 year-old resident of Rusizi District adds that, despite Rwanda’s reputation for low corruption, the quality of service delivery often depends on who you know: “There is no care in most public hospitals these days. Attending to a patient in need will at most times be achieved when they are known to the health worker or somebody there.”

“Despite overburdened civil servants who do not grant enough time to citizens, some things slowly seem to change for better.”

Aphrodice adds that this is true in areas outside the health sector: “Meeting an official for any concern, you need to be well known to them. He or she will first attend to the well-to-do citizens before any local citizen. There is a lot of *ikimenyane* (favouritism) among most of our *Umudugudu* leaders.” He suggests collective action has the potential to be effective by adding, “Moreover, presenting an individual problem is very hard. A problem will at most time be given maximum attention if a group of people presents it.”

Others confirm this prevalence of favouritism. Daniel, a 24-year-old graduating university student from Karangazi explains, “In some public offices, usually officials first attend to those well known to them before attending to the rest.” Francine, (not her real name), a 23 year married resident of Kabuga in Gasabo District, confirms this practice extends to health services, arguing that despite possessing insurance, “You are not given fair treatment. A person well known to a health worker is given the first priority.” Hence, it seems in most institutions there is an imbalance in the delivery of services.

Responsibility for inconvenient service delivery

Certainly, it is not entirely the lack of “skilled” service providers that leads to insufficient service provision; it is the mind-set and lack of individual collective concern towards a common objective by most employees. Marie’s story provides evidence of the terrible consequences of this disregard: “Sometimes the health workers lack good hospitality. Where I went to deliver my child in July, the health workers were harsh and abusive towards me. There was also a lady who passed away in the process of delivering due to the carelessness of these workers. They had gone for a break (...). They failed to attend to the lady in time, despite the case being urgent. She was later transferred to Kanombe Military Hospital, but it was too late. She died, only the baby survived. They hadn’t given her the required attention in time.”

Some of those interviewed go further and entirely blame officials, since most are seen as to be too distracted to offer attention to the people who need services. Francine says that “in most public offices there is a great display of laziness and carelessness in delivery. They explain to us that they have a lot of reports to work upon. So you wait long hours for just a small service, for example when verifying documents.” That is why she sees some room for improvement, adding “However, there is nowadays an improvement in delivery, though it is slight and slow and more has to be done for better.”



Road works

Astonishingly good services

Despite overburdened civil servants who do not grant enough time to citizens, some things slowly seem to change for better. The customers readily acknowledge those areas where they seem improvement; one interviewee, preferring to stay anonymous, states: “Generally nowadays, they are improving on delivering good services.”

Daniel recognises the difficulty officials face, arguing “We also can blame them less since it isn’t easy, dealing with many different people. Sometimes most citizens approach staff in public institutions in an impolite way, ordering them to serve them. It isn’t easy.” He adds that, “Today, as compared to the past, they are trying to improve since there is a lot of sensitisation. I think there has been an improvement.”

One example of improved services is the provision of identity cards. In some countries, people have to wait several weeks to finally be handed over an identity card. Moreover, they have to go through a complicated jungle of bureaucracy, where it is not enough to just fill in the application form. In Rwanda, you can be sure to get it fast and without complications. “Today the process is not difficult. In possession of all the necessary documents which you get from the *Umudugudu* leader up to the district level – also not a difficult process – it takes three to four days,” says Daniel. Francine confirms that accessing “an identification document (ID) is easier and a quicker process for students, which is a nice thing.” Shakira offers a slightly qualified view: “The service of accessing an identity card is fast and effective provided one has been authorised by the local authorities, it takes a short time and less effort.”

Unluckily not every document can be accessed as easily. Jean-Paul, a 28 year old resident of Nyagatare District explains that replacing an identity card is not quite as easy as obtaining one: “When accessing an identity card, I easily received my first card but after losing it, acquiring it for the second time was a bit hard, it involved long processes and routines which were so tiresome!” His problem points to possible discrepancies between services delivered at the local versus national level, and further investigation should look at these issues separately. A cursory assessment suggests services at the national level are delivered more promptly.

“One example of improved services is the provision of identity cards. [...] In Rwanda, you can be sure to get it fast and without complications.”

Pride in paying taxes

It is interesting to note that citizens in Rwanda also willingly provide services to the state rather than just receive them, both through paying taxes and through contributing to *Umuganda*, the community work that takes place on the last Saturday of every month.

In Rwanda, the government has continued to mobilise its citizens to pay taxes as one strategy to gain revenues. Rwandans are astonishingly well aware of how and why this is carried out: “It is of great value to pay taxes since a country can never stand on its own if the citizen won’t pay taxes. We should do this out of commitment,” says Marie. Daniel also sees the importance of paying taxes: “We are benefiting generally. Infrastructure and other services are being extended to different areas of the country, though some haven’t yet accessed these benefits, but we are benefiting. The government is trying.” Yes, the government is trying, together with its citizens.

A little bit more criticism comes from Francine: “Taxes work, though a lot still has to be done if better services are to be achieved through tax revenue collection.”

Improved service delivery

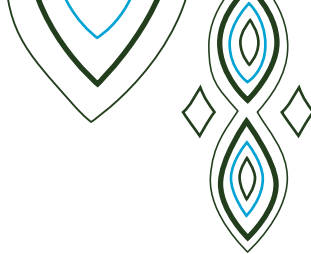
Certainly, today, it can be acknowledged that in most areas there is an element of improved access for citizens to quality services. But more work remains to be done by the leaders and by civil servants themselves. The education and professionalism has to be improved of both the service provider, and the consumer.

“It is interesting to note that citizens in Rwanda also willingly provide services to the state rather than just receive them, both through paying taxes and through contributing to Umuganda, the community work that takes place on the last Saturday of every month.”

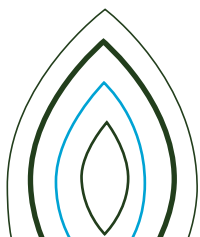
For service delivery to improve, several areas need to be emphasised. First of all, providers need to realistically assess their capacity to deliver services offered. There is a kind of irony in walking into an office advertising a service and finding a signpost hanging on the wall in absence of a service provider.

Second, services need to be offered irrespective of a person’s social status or connections. Third, certainly, a stronger complaint management mechanism needs to be initiated, in particular by the public bodies themselves, to help bring issues forward, raise attention, and demand public officials to deal with them on time. This can be a good way to foster the ownership for service delivery. Fourth, Rwandans need to be sensitised, from the *Umudugudu* level up, on what efficient service delivery should be and what services are available to them.

The overall objective of the national decentralisation strategy is to strengthen the districts and to provide public services efficiently and transparently with the collaboration of civil society. With improved effective service delivery as a tool, Rwanda will greatly boost its economy. Rwanda stands out in the fight against corruption and the country can use its tremendous will to improve service delivery as well.



“With improved effective service delivery as a tool, Rwanda will greatly boost its economy. Rwanda stands out in the fight against corruption and the country can use its tremendous will to improve service delivery as well.”



The Local Administrative Entities Development Agency – Improving Public Services

by Jean Baptiste Ngerejaho



The Local Administrative Entities Development Agency (LODA) was established as a development fund with the objective to finance development efforts of administrative entities with a legal personality at the local level. The Ministry of Local Government (MINALOC) – being responsible for local governments in Rwanda – is supervising LODA and its programmes and activities. LODA programmes aim at strengthening local authorities and enabling them to assume their functions and responsibilities in accordance with the principles of decentralisation and democratic governance. Thus, LODA also looks at improving household revenues through public investment and supporting provincial and national debates on decentralisation and poverty reduction.

KfW as key partner in decentralisation

Allocated funding sources are 10 % of national revenues as well as financing provided through different development partners. Among the greatest and regular fund providers is the German Development Bank (KfW) whose financial support is estimated to be more than 32,725 billion Rwandan Franc (RWF) (approx. 35 million EUR) invested since 2002 in various key sectors, such as school construction, tourism, and infrastructure development including roads and bridges. Furthermore KfW funds have been allocated for: the construction of administrative infrastructures, rehabilitation of health facilities, construction of hydropower plants, supply of electricity in rural areas, construction of modern markets, sanitation and supply of clean water projects, and construction and equipment of technical secondary schools and higher learning professional and technical institutes (such

as Integrated Polytechnic Regional Centres and Vocational Training Centres). The peculiarity of KfW funds is that they are not earmarked, which allows for flexibility.

“LODA has supported us to build water tanks near residential and trade centres. In fact, we achieved to set up many water tanks of 10 cubic meters near every settlement centre in almost all the sectors of the district. We have been able to pump the water from the valley and transport it to our people so that they can access water easily. The quality of life for the residents has changed greatly,” says Gakunzi, the infrastructure engineer in charge of LODA funded projects in Kirehe District. He adds, “LODA has funded the connection of twelve sectors in the district with solar energy. This has simplified office work and improved service delivery.”

Decentralisation efforts in Rwanda

LODA also serves as a forum and platform for stakeholders engaged in decentralisation processes in order to ensure synergies and complementarity of efforts. Thus, the Government of Rwanda and its development partners coordinate and harmonise development and poverty eradication interventions through LODA.

“Specific achievements of the first phase of the decentralisation policy include the establishment of LODA, which has successfully funded several thousands of local government initiatives. This explains the gradual increase of the Rwandan Government’s allocations to the fund from just 3 % in 2002, to now more than 10 % of total domestic revenue, which is currently being transferred to support recurrent expenditures of local governments.”

The decentralisation policy adopted in May 2000 was conceived to achieve three main goals, namely (1) promoting democratic governance at the local level; (2) strengthening local economic development, social protection, and poverty reduction policies and programmes; and (3) ensuring pro-poor service delivery and creating a basis for sustainable participatory community development. The Poverty Reduction Strategy Paper outlined these objectives as crucial aspects to achieve a broad grassroots participation and government responsiveness through decentralisation.

The Vision 2020 for Rwanda has outlined decentralisation as an integral part of good governance and key to people’s participation. In particular, it stipulates, “good governance is essential to successful development [...]. Respect for human rights and increased popular participation in government, through the bottom-up approach to democratisation is critical”.



Electric infrastructure, Kigali

The general observation is that a lot of achievements in the context of decentralisation have been made already, especially in the areas of policy, and legal and institutional frameworks. Laws and policies related to elections, administrative functions, community and local economic development, and fiscal and financial decentralisation have been elaborated and implemented. The changes so far are recognised as Rwanda's milestone. Institutionally, administrative and financial management structures and procedures are in place and operational, and more importantly, local and grassroots elections are being held regularly for democratisation and people's empowerment.

Beyond the general significance of administrative decentralisation, specific achievements of the first phase of the decentralisation policy include the establishment of LODA, which has successfully funded several thousands of local government initiatives. Consequently, LODA has gradually gained development partners' confidence. This explains the gradual increase of the Rwandan Government's allocations to the fund from just 3 % in 2002, to now more than 10 % of total domestic revenue, which is currently being transferred to support recurrent expenditures of local governments.

Enhanced capacities for self-reliance of local governments

“LODA has had a big impact in our district: The construction of markets has increased tax and revenue collection, and many people have got work at household level while the market operators pay taxes to the local government, which in return continues to develop the whole community,” says Murayire Protais, Mayor of Kirehe District in the Eastern Province of Rwanda. Engineer Gakunzi adds, “Through its funding, LODA has helped communities to increase the volume of harvest.”

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Districts have been regularly preparing their annual budgets and project proposals for submission to LODA. The relation between resources and responsibilities of districts has been closely monitored, leading to a territorial and administrative reform in 2006. This reform aimed at improving the fiscal and financial capacities of districts and bringing services closer to the citizens through further devolution of responsibilities to the sector level, in addition to reinforcing capacities at district and sector level.

“LODA has been very helpful to us. We have been able to plant trees, for example. LODA also helped us with the setting up of terraces to fight soil erosion, increase its protection and retention, and boost agricultural production. We could also build modern markets, which have increased the quality of life of our people through food security, and self-reliance. And they built schools for our children. But their budget is too small because our challenges are still many,” says Nzeyimana Oscar, Mayor of Rusizi District.

In Rusizi, LODA has funded the construction and rehabilitation of Nkombo and Bushenge health centres, secondary schools, the Nkombo guesthouse and many terracing projects in the predominantly agricultural districts. The two sectors had been so isolated and ignored for many decades that no development initiative had been undertaken there under the pre-genocide governments. Due to these initiatives, the local residents no longer consider themselves as citizens apart, but are now fully integrated in the entire developmental undertakings of the Rwandan Government.

Supporting districts for government responsiveness

Fiscal transfers have been introduced to match the increase in district responsibilities. Modalities for LODA are now operational as the agency was established to facilitate and monitor the flow of funds and management of information between the central government and the districts. Development budget transfers through LODA have increased on an annual basis from 2.7 billion RWF (approx. 2.8 million EUR) in 2003/04 to more than 80 billion RWF (approx. 85 million EUR) in 2014, indicating a gradual increase towards meeting, and even exceeding, the 10 % target for development transfers. The projections for 2014/15 provide more than 105 billion RWF (approx. 112 million EUR) allocations from the government, and more than 35 billion RWF (approx. 37 million EUR) from development partners including KfW.

Since the year 2003, about 3 % of total domestic revenue was being transferred to support expenditures of local governments. Fiscal transfers to districts through LODA have been lower than anticipated due to limited planning and low absorption capacities of the districts. The transfer of resources has not matched the political transfer of responsibilities, this being said, local governments' own revenues raising could be significantly strengthened.

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How to overcome challenges?

Despite the achievements highlighted above, implementation of the decentralisation policy continues to face serious challenges such as: weak coordination, unclear roles and responsibilities at all levels, local planning incoherence with national and sectoral strategies, over-ambitious districts plans compared to available resources, and weak financial, human, and logistical capacities at district level. Nevertheless, some of those challenges could be levied by allowing for more community ownership and high-level participation of the community and civil society, as well as the private sector, under the banner of public-private partnerships. Those platforms act as a catalyst for sustainable and concerted local development investments.

In the process, legal and policy frameworks such as administrative laws and regulations have been enhanced and reformed, so as to take into consideration sector laws and regulations that may not be in line with decentralisation. Weak institutional set up and capacities – which previously prevented free information flow between various layers of government, and thus led to frequent changes of administration staff at district level – limited involvement of civil society. Inadequate logistical facilities at the local government levels have now been addressed to enhance local governments' performance, creativity, and human resource retention.

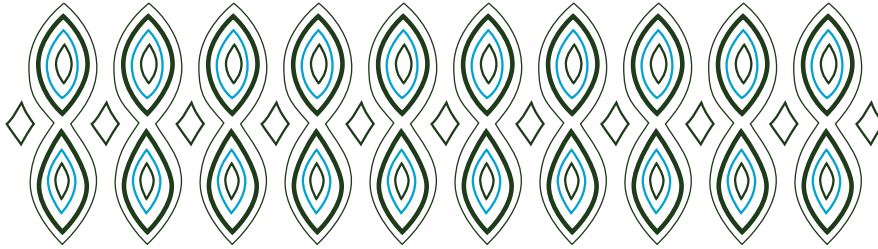
“The Government of Rwanda has opted for the policy of decentralisation, as a political alternative to fight poverty through the improvement of governance and mobilisation of the population around community projects that are most relevant to their improved wellbeing. LODA is financing those development efforts of decentralised entities.”

Local government and community planning mechanisms that are required to support leadership in the planning process have been reinforced in order to enhance efficiency of citizen's involvement in the planning process. In the past, those processes tended to be controlled by intervening agencies such as central government institutions, local and international non-governmental organisations, and donor-funded projects. Against that background, the coherence between local planning, national priorities, and sector strategies as outlined in Rwanda's second Economic Development and Poverty Reduction Strategy (EDPRS II) has already had positive yields.

The Government of Rwanda has opted for the policy of decentralisation, as a political alternative to fight poverty through the improvement of governance and mobilisation of the population around community projects that are most relevant to their improved wellbeing. LODA is financing those development efforts of decentralised entities. Fiscal decentralisation and financial management, adequate funding mechanisms and financial capacities, availability of information on revenue potential at local level, and sufficient orientation of local authorities on proper financial/accounting management and reporting are the determining factors that have led to the current satisfactory state of affairs.

Advocacy and Legal Advice Centres in Rwanda

by Stéphanie Aglietti



Dative sits in her little office at the foot of the lush green mountains in Musanze, northern Rwanda, listening patiently to Silvère's story and taking notes. Silvère, a 30-year-old farmer, has come with two friends to seek advice from the legal assistant at the local Advocacy and Legal Advice Centre (ALAC). "We are members of a mutual support group," Silvère explains. "The chairman of the group has stolen 7,500 Rwandan Franc (RWF) (about 8 EUR) belonging to the group and has been refusing to pay it back for four months now," he says.

"ALACs also raise awareness of corruption, inform citizens of their rights, and empower them to respond appropriately whenever they experience or witness corruption."

The three friends lodged a complaint with the executive secretary in their district, but the local authority was unable to make the group chairman see sense. The matter was then taken to a mediation committee known as an *Abunzi*, a committee of elders who are tasked with settling minor disputes between neighbours. But their efforts were in vain. Despite a decision in their favour, the chairman of the group still refuses to budge. "We want to take our case to court, but first we need advice. That's why we're here," Silvère continues.

ALACs are part of a project launched by Transparency International in Kigali, in April 2009, and the provision of legal advice forms part of their remit. Initially, the project aimed to help citizens expose cases of corruption, but ALACs also raise awareness of corruption, inform citizens of their rights, and empower them to respond appropriately whenever they experience or witness corruption.

In 2011, five local offices, including the one at Musanze, were set up in Rwanda. “We realised we had to be closer to the people, especially if they live in rural areas as travel is expensive, and many of them are not used to going into town,” explains Odette Mukarukundo, the ALAC coordinator in Musanze.

The everyday work of ALAC legal experts consists of “meeting citizens, giving them free and confidential legal advice and, if necessary, addressing their grievances to the responsible authorities,” she adds. In Musanze we mostly provide legal advice and deal with problems related to property ownership, she tells us.

This time, the three friends will have to wait a while before Dative can help them. “The chairman of the group has appealed against the *Abunzi*’s decision. I explained to them that they will have to wait until the arbitration procedure is over before they can take any further legal action,” she explains. “We can’t interfere in the arbitration process.”

ALACs also have an educational side to them. “We explain what the legal framework is and tell people whether or not they can appeal, or whether all avenues have been exhausted,” Odette adds.



The Advocacy and Legal Advice Centre

“I trust ALAC because it has helped me before,” recalls Agnès, Silvère’s friend. This young woman had a dispute with the previous owner of her field a few months ago. She also went to the village authorities, but without success. Worse still, they blocked her attempts: “The local administrative authority refused to let the arbitrators settle my dispute,” she says.

“Our job is to ensure that the rule of law is respected and to make sure all citizens are equal before the law.”

“Very probably, the previous owner of the field was an influential person or knew someone at the local authority,” Dative concludes. For young Agnès, the situation appeared hopeless at the time. “I didn’t know what to do. I didn’t feel up to opposing the local authority. If it hadn’t been for Transparency International, I would have given up,” she says hesitantly in the local language, Kinyarwanda.

“I feel touched when I see cases like this,” Dative admits. “Because her vulnerability is the root cause of this injustice. For one thing, she’s a woman, and for another, she is not particularly well educated. The authorities sometimes appear to think a person like this has no inherent value, or is incapable of knowing which authority to go to. Our job is to ensure that the rule of law is respected and to make sure all citizens are equal before the law.”

“If it weren’t for us, many victims would have resigned themselves to their situation,” Odette confirms. For her, the reason corruption is not complained about more frequently is because it is often insidious. “If it’s the local authorities that are perpetrating the injustice, all you have to do is dig a little deeper and you are likely to find corruption or nepotism underneath.” Nevertheless, Odette realises it is sometimes difficult to obtain proof.

Progress is being made, however. “People used to be afraid to expose corruption, or thought such practices were normal,” Odette explains, underlining the importance of the awareness-raising campaigns carried out on the ground by Transparency International. Frequently, the mere presence of an ALAC in the neighbourhood encourages people to denounce cases of corruption.

Odette also adds that, “Now that people know there is an organisation that can advocate on their behalf, they say to themselves: why pay?” In spite of everything, Rwanda is one of the African countries trying hardest to fight corruption, according to Transparency International’s Annual Corruption Perceptions Index.

ALAC’s success is attributed to its good track record, but to word of mouth as well: “People talk to each other, and many prefer to lodge their complaints with

us, either because they see themselves as victims of injustice on the part of the local authorities, or because they don't have the money to pay for a lawyer," Odette explains. "Sometimes, people come to us for advice even though they have a lawyer, because they have more confidence in us!" she says with a smile.

"Rwanda is one of the African countries trying hardest to fight corruption, according to Transparency International's Annual Corruption Perceptions Index."

According to a 2011 study by Transparency International, some 90.2 % of ALAC clients are satisfied with the services provided. On average, the two legal experts at ALAC in Musanze see seven people each day. "Sometimes we are understaffed," Odette says regretfully. "People generally tend to descend on us in droves after hearing our advertisements on the radio."

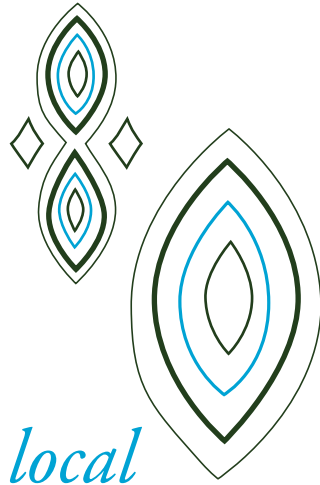
Thanks to their local experience, ALACs have sometimes helped to improve national legislation. In Kigali, where Transparency International is headquartered, sustained efforts are made to collect and sort data from the five local centres throughout the country.

Pierre Claver is the political and legal coordinator. "Each client is recorded in a database, and we itemise the different types of cases each quarter. When we detect a string of similar cases throughout the country, we realise there may be a problem with the law."

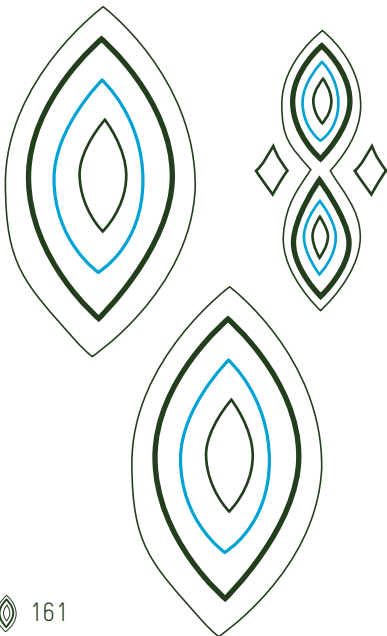
In 2011, faced with a large number of complaints related to the non-enforcement of sentences, Transparency International carried out some research. "We found that non-professional bailiffs like the executive secretaries at 'cell' level (the smallest administrative unit) were not discharging their duties and were failing to apply the sentences," he explains.

The main challenge is the lack of legal training for local officers. Transparency International therefore addressed this issue at national authority level, and the law was changed. Now, only sector-level executive secretaries (*Imerenge*) who must have a degree-level qualification at least, and professional bailiffs, are allowed to enforce court sentences. The executive secretaries at cell level (*Utugari*) must confine themselves to enforcing the decisions made by the arbitration committees.

Since then, Odette tells us, there has been a huge drop in the number of complaints related to the non-enforcement of sentences. "Previously, the local authorities saw us as enemies and thought we had come to keep an eye on them," Odette recalls. "But now we work hand in hand."



“Previously, the local authorities saw us as enemies and thought we had come to keep an eye on them. But now we work hand in hand.”



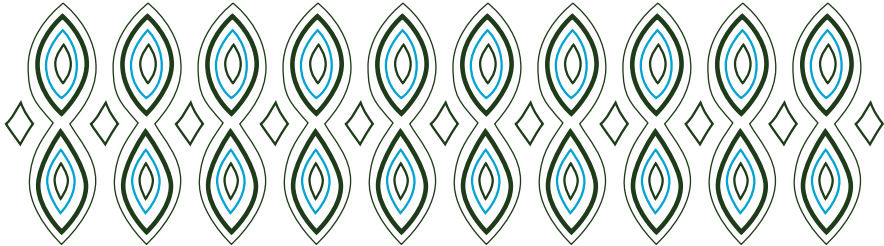


Construction site, Kigali



The Kigali One-Stop Centre

by Jesko Johannsen



A nail has just put Celestin Uwineza's homeward journey on hold. His car has a puncture and he has been forced to wait at a friend's place while the tyre is changed. It is 6 pm in the Rwandan capital Kigali. Darkness is descending on the city with its customary speed. The hills disappear. The heavy, grey clouds turn to night and it rains the torrential rain of Africa. Large drops fall to the ground. Streams of water flow through the storm drains. Dirt roads are transformed into mud. "The rain is the biggest challenge we face here in Kigali," says Celestin. "It even washes old nails down onto the road." At least he can smile. He tells his helpers where they can find the tools in his car, then leans back again. The rain not only makes his life difficult on the roads, it also causes power cuts at home and forces his clients to cancel. Celestin is an estate agent. When it rains, property viewings are often called off. "Rwandans are more frightened of the rain than they are of cars," he says. "Even the motorcycle taxis pass up this business opportunity. They could put up their prices when it rains, but they refuse to ride in it."

On the whole, however, 30-year-old Celestin says his life in Kigali is easy. That is mainly the result of technological progress. He has two mobile phones and SIM cards from three different providers. Nowadays he carries out his financial transactions using Mobile Money via one of the phones, although that does not always work. Recently, he found he was not able to use the tool to recharge his credit for prepaid calls. It took a week to sort out the problem. "Anyone offering modern technology should also provide appropriate support. But it doesn't work like that, and the customer is simply expected to put up with it."

The interface between technology and people is still slowing the pace of technological progress in Rwanda. Nevertheless, the country aims to be a technology-based economy by 2020. Public service delivery is intended to help pave the way to achieve this goal.

The city of Kigali is to become the Singapore of Africa; a master plan that is being coordinated from the ninth floor of the Grand Pension Plaza, right in the centre of Kigali. This is the location of the Urban Planning and Construction One-Stop Centre that issues permits for the construction of new buildings in Kigali and oversees implementation of the city's reconstruction Master Plan. Opened in mid-2012 and financed with money from Rwanda's public pension fund, this gleaming tower is one of the most modern buildings in the city. Its construction costs are to be recouped through the rental income.

Liliane Mupende is the former director of the One-Stop-Centre which contributes to implementing the Kigali Master Plan, mapping out the city's development in precise detail. Developing Kigali involves the provision of public services to citizens. People come to the One Stop Centre for all manner of construction-related services, such as building permits and plans, environmental regulations, or local traffic arrangements.



Liliane Mupende, former Director of One-Stop-Centre, Kigali

When Mupende steps out of the lift on the ninth floor she is confronted by the Kigali of the future. Large-scale artistic impressions of the city's future are displayed all around the office. However, the view from the window makes it clear that the plan is still only a vision. The city's green hills stretch out to the horizon. While there are indeed many building sites in the centre, none of them are anywhere near the same height as the Grand Pension Plaza. So far, there is only one other truly high-rise block to be seen from here – in contrast to the depictions of the future Kigali in the Master Plan.

The idea behind the One-Stop Centre is simple. All official public services are provided by the same agency and all applications are dealt with within a specified processing period. Mupende provides a simple explanation for this. "Before, it used to take a very long time to get a construction permission, sometimes as long as one or two years. Files used to get lost and communication between the different authorities was slow."

Before developers come to the One-Stop Centre they can go online to read up on all the steps involved and prepare themselves. Planning permission is issued within max. 30 days. "We have strict timetables stating how long particular processes should take." The centre is not geared to processing transactions, but to ensuring productivity. "Our political system is run more like the private sector. We want to be just as competitive as the private sector would be in our place."

For this reason, Mupende refers to applicants as 'clients'. And one such client is Antoine Rutayisire, senior pastor of the Anglican Church in Remera neighbourhood. A part of the church's compound lies on a main road, where it is

lined by small shops, some of which are run down. The Master Plan provides for the construction of a new commercial block here and the church congregation is expected to build it. Nevertheless, Rutayisire does not feel he is under any pressure. “It’s rather expensive, but nowadays the banks are more inclined to provide credit. We’ve done a calculation and according to our business plan we’ll have balanced out the costs five years down the line.”

Now Rutayisire is standing in the middle of the new building site where all there is to see are just a few holes where the foundations will go. However, in 15 months’ time the new office block should be standing here. Rutayisire has a pile of papers in his hand: the file for construction permission from the One-Stop Centre. In it are drawings of the future building. A modern structure, with swing seats placed in front of the door: the architect has envisioned a completely different Kigali from the one that currently exists in this part of town.

The fact that the church congregation is so committed to the project is due in part to the services provided by the One-Stop Centre. “They make a good job of it, even though there are things they could improve. I’ve heard it’s taking longer for other applicants because the centre doesn’t have enough staff. It would be a good idea to have several One-Stop Centres spread around the city.”



Architect at construction site, Kigali

That would also fit in with the plans of the Rwandan Government, which regards this form of public service provision as a model for the future, and has already taken this concept one step further and introduced One-Stop Centres for other sectors, such as customs and excise, or investments. The aim is to satisfy the needs of the people and those of the authorities at the same time. It is not just a question of simplifying procedures; the administration wants to reduce red tape in order to stimulate growth and development. “The most important thing is to

create an environment that inspires investors to invest,” Mupende explains. “Even though we’ve already achieved a lot for our clients, there’s still more to be done to improve our services.” And this, in turn, means it is more reasonable for the state to expect the private sector to contribute its share to the country’s development.

Here, the government has touched on a moot point – for the estate agent Celestin, too. “When it comes to the public sector,” he says, “the challenge is compliance. We’ve got internet, the process is straightforward, and we have to stick to our payment deadlines.” He, too, feels that the procedures are designed in a clear and

customer-friendly way, but this only increases the pressure. “We have no excuse for paying too late,” he says. In other areas, technology genuinely does make every-day life easier. Rwandans no longer need to go to an office to pay for their power, water, or satellite TV connections. They can deal with a lot of these services online or using their mobile phones.

As long as it works electronically, Celestin is happy. He also receives a notification on his mobile phone when his new identification card is ready or when his tax has been paid. He finds it harder if he has to pay the authorities a visit in person. “It depends who’s behind the counter, and whether or not they are motivated. Even if the government defines the maximum time each process should take, ultimately it’s still down to the employees in the offices.”

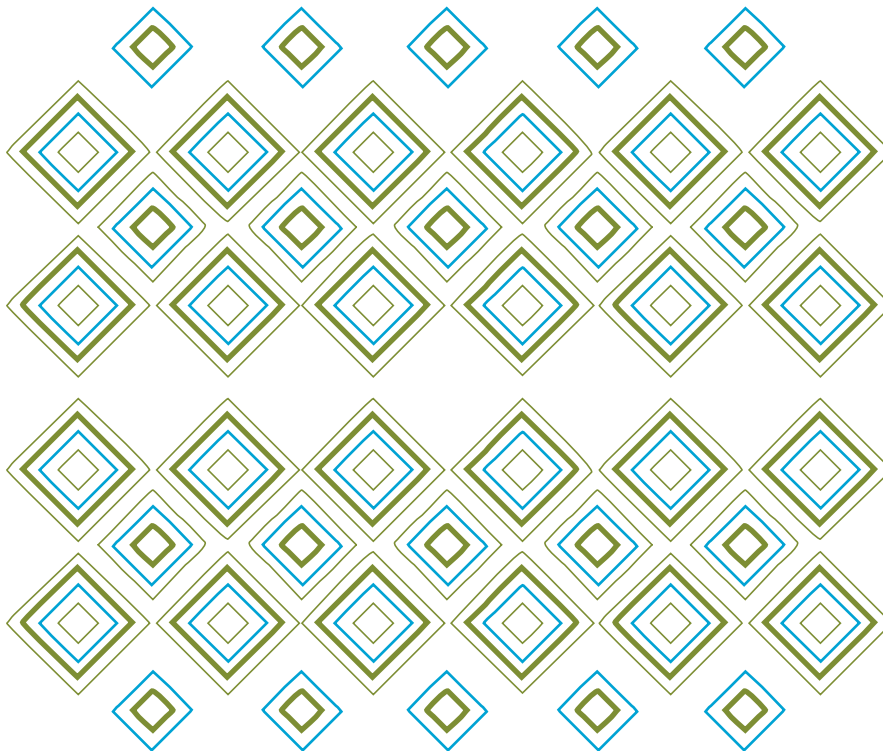
Antoine Rutayisire can back this up. So far, he has received two construction permits. The first took four months to come through; the second was there in just two weeks. “The reason the first one took longer was mainly because of the paperwork,” he says. When he returned for the second approval the One-Stop Centre had expanded its online service. “Their website lists all the things you have to do. When you’ve collected all the documents you need, you only have to go to see them once.”

For Celestin, however, the Kigali of the future as it appears in the Master Plan is still just a pipe dream that has little to do with the reality of the roughly 1.2 million people who live here – himself included. Although he likes the Master Plan, he does not believe the middle classes it is supposed to target actually exist yet. Celestin himself lives in a 60m² two-room apartment on a shared compound that costs him almost 120 U.S. Dollar (USD) per month. The new houses and apartments often cost ten times as much to rent which puts them way out of his reach. At the moment he finds it a challenge just to raise the 250 USD a month to rent the office he shares with two other business people. “But I do need a smart-looking office I can invite my clients to.”

Now the tyre has been changed and the rain has stopped. Perhaps, as he drives home, Celestin is contemplating a future Kigali in which there are not only a lot of skyscrapers, but where it is also possible to sell houses when it’s raining, without getting a flat tyre on the way to a client.

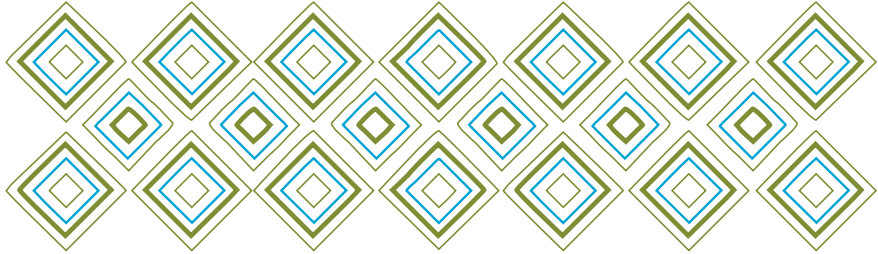


Expectations for the Future



Vision 2020 – A Vision for Rwanda?

by Jenny Clover



The story of Rwanda is a remarkable one: from its devastating past to its hopeful present and promising future. The transformation the country has seen in past twenty years since the 1994 genocide – which destroyed virtually all infrastructure, most institutions, and vast swathes of the population – is almost unbelievable unless you have seen it for yourself. The clean streets, pothole-free roads, and lack of plastic bags are the first things visitors notice, but the fast-growing economy, increased access to healthcare, and expanding private sector are also impressive – and if the government’s Vision 2020 document is anything to go by, a lot more is yet to come. Unveiled in 2000, Vision 2020 is a highly ambitious, aspirational plan to transform Rwanda into a middle-income country with a knowledge-based economy in just twenty years. Two subsequent Economic Development and Poverty Reduction Strategies (EDPRS I, and II) have laid out the details of how this vision is to be achieved.

The ambitions contained within the document are enormous, and some view the plan with scepticism. How could Rwanda transform its population and its economy in just twenty years? But the Rwandan Government – from the very top level – is serious about making the vision a reality. In 2012, President Paul Kagame announced the country’s aim is to average an economic growth rate of 11.5 % over the next five years until 2018 (on average 8.2 % between 2006 and 2012). Although all levels of government seem to be signed up to making Vision 2020 a success, whether the general Rwandan population is even aware of it, is another matter.

So what exactly does the Rwanda of the future look like, and how will it achieve these goals? Are the plans, as some people suggest, too ambitious to be successful? And will the country’s poor record on human rights, press, and personal freedoms affect its development agenda? Of course, no one really knows how things will look six years from now when Vision 2020 is due to come into life, but observers

from various sectors of Rwandan society have very different opinions on what the document means for the country.

The central aim of Vision 2020 is to elevate Rwanda into a middle-income country – meaning a per capita income of 900 U.S. Dollar (USD) a year, up from 220 USD in 2000 – capable of competing in the global marketplace, with a healthy, educated, united population.¹¹⁴ Broadly speaking, this means that in the short-term Rwanda needs macro-economic stability to create a larger tax base, and to reduce dependency on foreign aid. In the longer term, it needs to transform itself from an agrarian into a knowledge-based economy, and to create a productive and burgeoning middle-class. The middle-class will grow, fostering entrepreneurs and innovation, and push Rwanda into middle-income status. For a small, land-locked, developing country with few natural resources this is no mean feat.

“Vision 2020 is a highly ambitious, aspirational plan to transform Rwanda into a middle-income country with a knowledge-based economy in just twenty years. Two subsequent Economic Development and Poverty Reduction Strategies (EDPRS I, and II) have laid out the details of how this vision is to be achieved.”

To cater to Rwanda’s growing population, which is expected to have reached up to 16 million by 2020, and to become a middle income country, will require an annual growth rate of at least 7% by Rwanda’s estimations.¹¹⁵ The economic growth rate has averaged 8.2% between 2006 and 2012. A freeze in aid disbursements from almost all donor countries in 2012 hit Rwanda’s growth rate significantly,¹¹⁶ and growth is projected to slow down in 2013 and 2014. Despite this, President Kagame remains confident that these setbacks won’t hit growth too hard – even announcing the target 11.5% average growth rate for five years before all aid had even resumed.

The specifics of the Vision are impressive and thorough: subsistence farming will be replaced with a fully commercialised sector of high value crops and modern livestock management; the fertility rate will reduce within 20 years from 6 to 4.5 children and slow the population growth rate to 2.2%. The infant mortality rate is predicted to more than half, while the maternal mortality rate will be reduced to less than a

114 Ministry of Finance and Economic Planning (2000). Rwanda Vision 2020. p.4
<http://www.minecofin.gov.rw/fileadmin/General/Vision_2020/Vision-2020.pdf>

115 Ministry of Finance and Economic Planning (2000). Rwanda Vision 2020. p.4
<http://www.minecofin.gov.rw/fileadmin/General/Vision_2020/Vision-2020.pdf>

116 Donors suspended support over allegations that the Rwandan military was supporting a rebellion in the neighbouring Democratic Republic of Congo.

fifth. Life expectancy will have increased from 49 to 55 years, while the prevalence of HIV/AIDS will have been reduced from 13 % to 8 %. Rwanda will have internet access at all administrative levels, for all secondary schools, and for a large number of primary schools. Furthermore, telephone services will be widespread in rural areas and at least 35 % of the population will be connected to electricity, up from 2 % in 2000. It's planned that the consumption of wood will decrease from the current 94 % to 50 % of national energy consumption. Energy production remains a serious problem for the government. The current total installed electricity capacity in Rwanda is 114 Megawatt (MW), which the government is aiming to increase to 563 MW by the end of 2017. Rwanda currently has an electricity deficit of 20 MW which is met by diesel generators rented from a UK-based company. The remaining energy mainly comes from hydro power, with small amounts from methane and solar energy. These are just some of the details outlined in the document, which runs to nearly 30 pages. It also plans for sewerage systems in each town; full regional economic integration; and annual investment of 30 % of Gross Domestic Product (GDP).¹¹⁷

Vision 2020 “aspires for Rwanda to become a modern, strong and united nation, proud of its fundamental values, politically stable and without discrimination amongst its citizens.” The document also states that Rwanda’s growth must be “pro-poor, giving everyone in the country the chance to gain from the new economic opportunities.”¹¹⁸

It is here that some observers query the likely success of Vision 2020’s aspirations. While substantial development over the last fourteen years is indisputable, some question how much of this has trickled down to the very poorest of the population. Jean-Pierre (not his real name), a civil society representative working on human rights, says Vision 2020 cannot succeed without focusing on human rights and being more inclusive.

“You cannot easily find human rights issues discussed in the EDPRS documents,” said Jean-Pierre, “I would like to see more emphasis on human rights – it should be part of the country’s vision. If you want to build sustainable development, it should be a rights-based approach that is emphasised. When citizens are educated on their rights, how to protect their rights and the rights of their relatives, societies are stronger.”

117 Ministry of Finance and Economic Planning (2000). Rwanda Vision 2020. p.26
http://www.minecofin.gov.rw/fileadmin/General/Vision_2020/Vision-2020.pdf

118 Ministry of Finance and Economic Planning (2000). Rwanda Vision 2020. p.4
http://www.minecofin.gov.rw/fileadmin/General/Vision_2020/Vision-2020.pdf

Some argue that a focus on human rights can come later, after the country has built a firm foundation with a unified population, and people start to feel more prosperous; that it is too soon to think about allowing full democracy to unfold in Rwanda. Rights groups certainly disagree with this, saying fundamental civil liberties and human rights should go hand-in-hand with economic development. A senior researcher at Human Rights Watch contends, “Human rights and development are not mutually exclusive. On the contrary, they reinforce each other. Rwanda remains a fragile country, in which people live in fear of a repressive and authoritarian state. However impressive Rwanda’s development gains may be, people cannot flourish in an environment in which they risk arrest, prosecution, or even death simply for expressing their opinions.”

“If you want to build sustainable development, it should be a rights-based approach that is emphasised.”

For the Rwandan Government, however, the priority is to build a country whose main asset is its people. Tourism, and coffee, tea, and mineral exports are never going to be enough on their own to turn Rwanda into the middle-income country it wants to be. Vision 2020 states, “Productive entrepreneurship must be fostered to perform its traditional role of creating wealth, employment, and vital innovations through opportunities for profit. Rwanda should also aim to find a niche market in the region, for example, becoming a telecommunications hub.” So Rwanda has turned inwards instead, and placed the skills and knowledge of its people at the heart of its future success. This forms the basis of the plan to become a middle-income economy and is why Rwanda is focused so hard on boosting its information and communications technology (ICT) sector.

The Rwandan Government has certainly prioritised ICT development. More than 4,500 km of fibre-optic cable has been laid across the country. Although now completely operated by the private sector, the government initially injected 120 million USD and 2,300 km of cable to kick-start the programme. The government has also invited the prestigious Carnegie Mellon University (Pittsburgh/USA) to set up a campus in Rwanda to offer their world-renowned ICT master’s programme to Rwandans, and subsidised course fees for East African citizens.

Didier Nkurikiyimfura, Director General of ICT at Rwanda’s Ministry of Youth and ICT, says all these are signs that the Rwandan Government has “the highest level of commitment to IT.” He states, “We know that government has a lot of priorities in different sectors, but we have really seen a huge commitment from the president and the cabinet to the growth of IT in Rwanda because they understand the crucial role it plays.”

He agrees that the goals of Vision 2020 are ambitious but is confident they will be reached. “These goals are realistic because we have been putting the right foundation and the right policies in place,” Nkurikiyimfura believes. “For example, we have invested a lot in infrastructure like roads and electricity, but also in the ICT sector. I think the foundation we have laid is the right one to realise these goals. According to a World Bank study, a 10 % increase in broadband in a country translates to 0.8–1.3 % increase in GDP, so we are well aware of the impact ICT can have on the country as a whole”.

Major constraints to Rwanda’s ICT dream include the lack of electricity supply and the high cost of what is available. In addition is the low quality of education in the country, which mean few are ready to become leading lights in the IT revolution, and even fewer would be able to join a master course offered by Carnegie Mellon University. Not to mention the fact that many people are still subsistence cultivators who have to think each day about how to pay for things like health insurance and school fees, and might not be interested in owning a smart phone, even if they were exposed to its potential.

“If we compare Rwanda today and Rwanda just after the genocide, it’s different, of course. A big step has been reached but we have to continue. Vision 2020 is good but it needs reviewing and should include some aspects which were not considered before.”

Despite the challenges ahead, Nkurikiyimfura is positive that Rwanda’s dreams will be reached. “I really want to see this country become a place where someone can realise their full potential,” he said. “I want to see my kids in a country which is more connected, where they can dream and see their dreams come true; where access to very basic services like education and health is accessible to everyone; where getting a service which typically can take a few weeks, can take a few minutes. It’s possible. I want to see a country where there really are opportunities; where poverty is eradicated completely. I want to see this country as an ICT hub serving not only Rwanda but also the other countries. That’s how I want to see Rwanda – a better Rwanda, with one identity, a unified country that can really achieve its full potential. That’s the Rwanda I want to live in tomorrow.”

Who wouldn’t want to live in a country like this? Especially for a population that still bears the scars of a bloody and divisive recent past. But many still doubt whether Rwanda will be able to reach Vision 2020 and question why vital human rights issues are not being addressed. “If you want to build a sustainable Rwanda where every citizen is free and feels that they belong to Rwanda, that they are Rwandan, then a lot needs to change,” said Jean-Pierre. “People don’t feel free at the

moment due to the political environment which puts them under pressure. Laws and policies are in place, but their implementation is not in connection with their core goals. That's why some people feel that they are discriminatory. The government should think about this situation and review those policies which divide citizens."

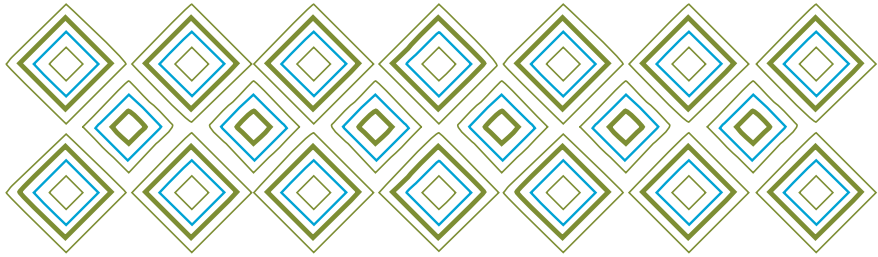
"In many ways the Rwandan Government has done a lot and improved in all sorts of ways, with a focus on economic development, but in other areas there is still work to be done – particularly unity and reconciliation, civil and political rights, and fundamental freedoms. I think the achievements are too weak and the gaps are not well addressed," Jean-Pierre says. "Serious problems with housing, education, the universal health insurance scheme, unity, and reconciliation remain besides the underlying and deep-rooted poverty." Seven years are not enough to realise Vision 2020. "If we compare Rwanda today and Rwanda just after the genocide, it's different, of course. A big step has been reached but we have to continue. Vision 2020 is good but it needs reviewing and should include some aspects which were not considered before."

Jean-Pierre's personal hopes for Rwanda's future are not dissimilar to those of Nkurikiyimfura, but he has some additional dreams: "I would like to see Rwanda becoming a country where citizens are free to talk on any governance issue, to have more space, to discuss, to have debates, to try to reduce taboos. Just being free to challenge policies will be an achievement and it will help the government to know where their strategies have failed. It would be helpful for Rwanda and it would be an entry-point for sustainability."

Despite Rwanda's remarkable progress, meaning that it is now better known for its incredible pace of development rather than for its bitter past, there are still improvements that need to be made, and whether Vision 2020 will be fulfilled remains to be seen. Certainly some elements are on-track to be reached, while others – namely the access to electricity and quality of education – still seem a long way off. Either way, Vision 2020 has been – and continues to be – an effective tool in pushing civil servants and politicians to achieve as much as they possibly can for their country. As President Kagame says in his introduction to the document: "Some will say that this is too ambitious and that we are not being realistic when we set this goal. Others say that it is a dream. But, what choice does Rwanda have? To remain in the current situation is simply unacceptable for the Rwandan people."

Urbanisation – Challenge and Opportunity for Rwanda's Future

by Nils Fürkötter



Rwanda's recent urban experience

When speaking of urbanisation in developing countries, most of us think of overcrowded mega cities, slums, and high crime rates. Many large cities on the African continent struggle with absorbing the overwhelming masses of rural migrants as they search for a better life in the city. Slums like Kibera in Nairobi, or West Point in Monrovia, are evidence of failed urban planning and weak governance. Despite facing the same or even larger demographic challenges, some countries strive to take a different path.

Rwanda is among the most densely populated countries in sub-Saharan Africa. With 414 people per square kilometre (km²) it has the second highest population density on the entire continent – compared to that of Namibia on the other extreme, with a population density of just 2.56 people per km². Rwanda's surface of 26,338 km² is comparable to the state of Rhineland-Palatinate in Germany. Within a period of less than 80 years Rwanda's population has increased almost six-fold, from 1.6 million in 1934 to an estimated 10.5 million in 2012.

At the moment, only 17 % of Rwandans reside in cities or towns;¹¹⁹ the degree of urbanisation compared to the global average of 50 % is rather low. The development of cities in Rwanda is a recent phenomenon, but one that is consistently accelerating. With an urban growth rate of 4.5 % the country exceeds the worldwide urban growth rate of 1.8 % by almost two and a half percent. The rapid growth of urban areas is mainly caused by Rwanda's demography. With an overall population growth rate of 2.6 % the country's population is among the fastest growing on the African

119 Ministry of Finance and Economic Planning/National Institute of Statistics of Rwanda (2014). Fourth Population and Housing Census. Kigali: 2012, p.33

continent.¹²⁰ In addition, the rural poverty rate, scarcity of land, low quality of public services, and few well-paying agricultural sector job opportunities are among other major push factors that incline rural migrants to move to cities. It is expected that the absolute numbers of urban population will increase from the current 1.7 million to between 4.6 and 5.1 million over the next twenty years. This corresponds to an overall urban population growth of 192 %, which would reach the national urbanisation target rate of 35 % as per the Government of Rwanda's Vision 2020.¹²¹

The overall population density translates into an above average density in urban areas. The ratio of currently 1,871 inhabitants per km² is expected to increase to 5,468 inhabitants per km² by 2032.¹²² Given that the urban infrastructure in most Rwandan agglomerations was planned for roughly half of the current population, the negative side effects of overcrowded urban settlements will increase: insufficient access to affordable housing due to undersupply through the formal market, large numbers of urban residents without access to public infrastructure, and social inequality. New settlements would mushroom in the urban periphery. The majority of urban dwellers would end up residing in informal lodgings.

Looking at the current demographic projections, combined with the scarcity of land, overcrowded cities as magnets for the rural poor are one of the most urgent challenges for the development of Rwanda. Thus, rapid action to bring planned urban development is of utmost importance.

Policy framework

Through the 2012 revised National Decentralisation Policy and 2013–2018 Urbanisation Sector Strategic Plan, the Government of Rwanda considers urbanisation a strategic driver of economic development and an answer for demographic pressures, sustainable land use, and employment. It is seen to make service delivery easier and more cost-effective to provide.

Against the background of socio-economic transformation, the objectives of urbanisation are the following:

1. Have strong integrated development planning and management, i.e. develop the basis for good development management cross-cutting all development sectors, and following clear guidelines and procedures at all levels of governance;

¹²⁰ Ibid; p. 12

¹²¹ Ibid; p. 32

¹²² Ibid; p. 36

2. Development of secondary cities as poles of growth, i.e. prioritise a hierarchical network of urban and urbanising centres providing services and attract economic activities countrywide, and to support the development of secondary cities as well as the capital Kigali;
3. Establishment of financing and supply options for affordable housing.

In response to the above objectives, the urbanisation and rural settlement sector was created. The sector's strategic plan, after assessing the existing conditions, framework, and key stakeholders, outlines a five-year-strategy on how to follow the identified priorities, and demonstrates the relationship to the priority areas of the second Economic Development and Poverty Reduction Strategy (EDPRS II). The mission statement of the sector in coherence with the long-term socio-economic development of the country reads: "Rwanda's human settlements and urbanisation are sustainably managed and promoted, supporting economic development and benefiting all strata of population."

To implement the sector strategic plan, an adequate institutional and legal framework is essential. So far, two major policies are being drafted in response to this, i.e. the National Urbanisation Policy and the National Housing Policy. The National Urbanisation Policy aims at providing institutional, political, and regulatory guidance for promoting sustainable urban development in Rwanda by explicitly delineating strategic and regulatory pillars of intervention. The National Housing Policy stands as a commitment of the Government of Rwanda to support the supply of housing that is affordable to people within all income brackets. The National Housing Policy would not only address the affordable housing challenges, but rather complement the existing Urban Housing Policy by addressing a comprehensive regulatory framework. It will set the framework for private sector involvement, and private sector enhancement, along with addressing all social, environmental, and economic principles to meet the housing demand.

In addition to this and in view of addressing the gaps identified as per the Urbanisation and Rural Settlement Sector Strategic Plan, orders (i.e. decrees) to the law governing urban planning and building in Rwanda are being finalised. This law was adopted in 2012 and forms a base for planning and building in Rwanda (i.e. a master plan for land management and urban planning; local land development plan; and a specific land development plan). Among others, it is worth noting that this law complements the condominium law and the law governing human habitation in Rwanda, which governs land occupation and construction on lands reserved for human habitation. The intention of the new elaborated orders is to clearly regulate local development, based on clear procedures as to support sustainable, integral, and inclusive development. In addition, it supports institutional strengthening and

development, decentralisation, local economic development, citizen participation, and accountability mechanisms, which are all principles supported by Rwandan national policies (i.e. Decentralisation Policy, Land Policy, EDPRS II, etc.).

Priority programmes of the Government of Rwanda

Almost half (49 %) of Rwanda's urban population lives in Kigali – thus, the capital plays a particular role in the national urbanisation strategy. The challenges arising from the demographic pressure in Rwanda in general, and in Kigali specifically, are multiplied by the fact that the city's infrastructure was planned to accommodate around 450,000 people. The estimations of Kigali's inhabitants living in informal settlements range between 67–80 % (accurate data is not available). This leads to continuous unplanned urban growth, inadequate housing, and insufficient provision of public services. Given the current demographic development in and around the capital, the population will increase from currently about 1 million to 5 million by 2040.

In order to mitigate resulting problems, the Government of Rwanda is making ambitious efforts to steer the process. The two core objectives of the sector strategy are currently reflected in the investment priorities: secondary cities' development and affordable housing.

From the perspective of many rural migrants, Kigali offers the best provision of public services, such as water, sanitation, housing, and education. To limit the continuous growth of the city of Kigali, the Government of Rwanda is putting emphasis on the development of secondary cities. The formula is decentralisation of the country's urban development and strengthening urban sub-centres. Six districts have been selected according to demographic, economic, and socio-economic criteria to be supported in their urbanisation efforts and developed as secondary cities. Besides unburdening Kigali, the objective is to increase the population density in those six secondary cities to connect more citizens to better service delivery.

Resulting from the urbanisation rate in Rwanda, the housing sector is challenged with a growing demand for urban housing. The insufficient and expensive formal housing supply brings many dwellers in urban areas to live in the informal housing sector. The unplanned development of informal human settlements has led to social segregation and an insufficient public infrastructure for the population. A housing demand study conducted in Kigali in 2012 revealed that more than half (54 %) of all citizens in need of housing earn between 50–290 U.S. Dollars (USD) per month. 12.5 % earn even less than 50 USD per month. Given this, the need for affordable housing aligned to this salary bracket is critical. Almost two thirds of Kigali's urban

dwellers have little or no access to housing mortgages and are thus excluded from the formal housing market.

Given the urban-rural disparities in income, this issue is even more critical in rural parts of the country. To address this and the resulting problems, the Government of Rwanda has launched an affordable housing program that (if adopted and implemented) would focus on financing options for affordable housing and the supply of construction materials. In order to address the challenges of informal settlements both in the country's capital as well as urban centres outside of Kigali, the Government of Rwanda is undertaking efforts in upgrading already existing informal areas. This is to supplement the affordable housing approach and keep the costs for both the government and affected residents to the lowest extent possible.

The positive impact of decentralisation on urbanisation

Considering the importance of a planned urbanisation process, the Government of Rwanda has sped up its efforts through the establishment of a sector working group responsible for urbanisation and rural settlement, as well as developing a five-year sector working, which started in the budget year 2013/14. The working group currently coordinates all sectors involved at central government level and sets the policy framework. However, the law governing urban planning and construction gives local governments the responsibility to implement provisions of that very law. It is therefore essential that districts are provided with the necessary capacities as well as human and financial resources to successfully fulfil their functional assignments on urban planning.

The government is aware that the development of six secondary cities will not be the only solution to the challenges. Therefore, in 2012 the Ministry of Infrastructure through the Rwanda Housing Authority supported all 30 districts of Rwanda to develop local land development master plans, in order to provide local governments with the planning means to create decentralised urban centres. These particular plans were created in coordination with local governments. With the establishment of District One-Stop Centres in the same year, the central government made another important step in strengthening the local level in the country's urbanisation ambitions. These One-Stop Centres play a particular role in two respects: on the one hand, they are responsible for urban development within the local planning process. On the other hand, they are the gateway for citizens to access services such as physical and social infrastructure and a variety of permits regarding the development of land plots.

Urbanisation is a new trend in Rwanda, which relative to other sub-Saharan African countries, is still largely rural. The Government of Rwanda recognised

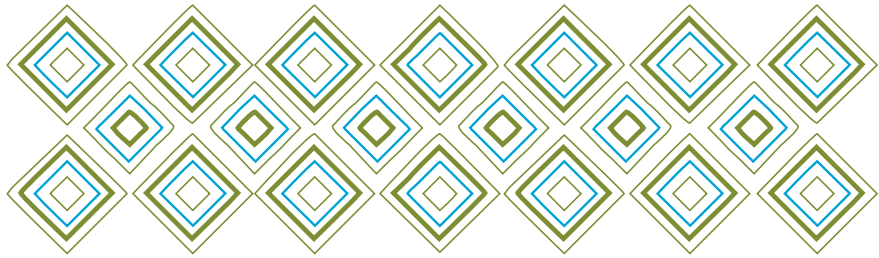
both the potential threats of an unplanned rapid urbanisation process as well as the high potential of a well-governed urban development. In line with Rwanda's decentralisation policy, districts are given an important stake in the sector. They will play a key role in addressing the question of what the urban future of the country will look like.



Future vision for the City of Kigali

“The Future of Rwanda is Good” – Young Rwandans and their Perspectives on the Future

by Katharina Mihaljevic and Jesko Johannsen



Rwanda is a young country – you can see and you can feel it; 61 % of the population (overall population 12.3 million as of July 2014) are under the age of 25.¹²³ By comparison, in Germany the same age group accounts for just one fifth of the total population (19 %, overall population approx. 80.5 million as of 2012).¹²⁴ What does this demography mean for Rwanda’s future? And how do these many young Rwandans see their future? What are their wishes and aspirations? To get answers to these questions we paid a visit to four young people and asked them their thoughts and their perspective on the future.



Christa Munezero, IT Expert, Kigali

24-year-old Christa Munezero works in the Telecom House in the heart of Kigali, where she shares a small office with a colleague. Still, there is plenty of space, since Christa only needs her laptop to work. She is a member of the Rwandan IT elite and, as an expert in her field, one of the many young people helping to shape Rwanda’s future. She has no doubt that by backing information and communications technology (ICT) the Rwandan Government has chosen the right model for the future, primarily, because ICT has the capacity to improve public service delivery. She sees this happening already in those places where it is being used – for instance, ICT makes paying taxes much easier. “We’ve seen change in different sectors where ICT has been applied, for example in agriculture, health, or in different services. Rwanda is

123 CIA. The World Factbook: Rwanda. <<https://www.cia.gov/library/publications/the-world-factbook/geos/rw.html>>

124 The Statistics Portal: Demography, Statista GmbH. <<http://de.statista.com/statistik/kategorien/kategorie/8/themen/63/branche/demographie/>>

really doing good in applying ICT.” *E-tax* means no more queuing at the tax office. People can carry on with their business and pay their taxes from wherever they are. “It has really contributed to the development of the country that we are seeing.”

Scene change: to the east of Kigali city centre on a small, unsurfaced side road there lies an equally small house with just two rooms. Renting the house is Elyse Nizeyimana, aged 27, married, and successfully completed his bachelor’s degree in English. If he could, he would go on to do his master’s degree, but for now he has to find a job, as a teacher. He believes it is easier to find employment in the education sector than elsewhere. The country needs good teachers. It is hard to believe that not so long ago only two or three people from any particular village had the chance to study. With 12 years of compulsory schooling and more and more people now tending to study (alongside their regular jobs), the question is how will the job market respond to the large numbers of academics in the future?

“Rwanda of today is a nice country compared to twenty years ago. It has developed in terms of politics, in terms of education, and in terms of welfare of the population.”

Like Christa, Elyse too is convinced that ICT can play a key role in economic growth. His enthusiasm is, however, slightly lower. “There is still a gap which needs to be bridged. Young people can access ICT, but more knowledge for the broader population on the use of it is needed.” He is also less excited because he considers basic infrastructure, like water management or electrification in rural regions, to be more important for Rwanda’s future. He not only believes the energy sector to have great potential for creating jobs, he actually goes so far as to say that “you can’t invest where there is no electricity.”

Jean de Dieu Nshimiyimana, 23, a simple farmer whose house lies in the centre of a small rural settlement, has neither electricity nor running water. The only way to reach the settlement is via a bumpy track. His wife and one-year-old daughter share the small mud-brick house with him. Some of his dreams have already come true: his modest income has sufficed to build what he considers a modern home and to buy a bicycle. International organisations, with their improved seed and more efficient cultivation methods, have helped him get to where he is today.

ICT does not really have a role to play in Jean de Dieu’s life, either now or in the future. For him, better infrastructure takes priority. As the roads in the surrounding area are in bad shape he has a hard time negotiating them on his bike, which he uses to transport his harvest of maize, soy, and beans. That is why he considers better roads to be so important. Already, improvements are indeed on hand: he no longer



Employment centre for youth, Kigali

takes his harvest to market himself as, “Now we have storing facilities where we can bring our things and get paid directly. It is better because we get our money directly for the complete harvest we bring.” Roads aside, he would like the Government of Rwanda to provide electricity and water because then he would no longer have to walk to the public standpipe; although it is quite close – only six minutes on foot – he would prefer to have water supply in his house.

Like Jean de Dieu, 25-year-old Luc Akiman (the young man seen in the photo at the beginning of this chapter) also lives in the countryside – a deliberate choice on his part. He finds city life too demanding and too expensive. Above all, it is more difficult to find a job there. “I like to live in the countryside rather than in the city.” After working as a receptionist in a hotel, he got a job at the secretariat of a technical school, where he has been for a while now. In addition to Kinyarwanda, he speaks English and French. While working, he is studying for a Master of Business Administration. “After I get my master’s I will find a better job or do a business on my own.” When asked what kind of business, he replies that he would like to run a clothing company. In seven years’ time, Luc plans to be married – once he has finished his studies and started up his own business. “I think I will have a wife and my own house. And I will have three children.” Of course, the house will be in the countryside. Luc will not need a generator, because he will have a reliable power connection. There is just one thing: it has to be really rural. “It is like 15 to 20 minutes from the main road.”

“These four young people believe the government’s priority should be to focus on expanding infrastructure, starting with electricity, water, and roads, followed by education, while accompanied by ICT.”

All four young people – Christa, Elyse, Luc, and Jean de Dieu – agree that most important, for Rwanda’s future, are peace, security, and a country instilling hope in its people. Hope means that there is a future, that people not be caught in the past. The four young Rwandans wish to leave the past behind them. However, this calls for people to show self-initiative and independence and to be willing to give more than they take. “The people have to understand that there is no one who is going to make their lives better. They are the only ones who can work hard to really reach their goals.” In this sense, Christa believes nobody should be content with the present. In her point of view, Rwandans should put even more faith in the vision of a good future, and work even harder to achieve it. But is she aware that for the majority of Rwandans, paying taxes or basic health insurance is already a major challenge?

Christa, Elyse, Luc, and Jean de Dieu, four young Rwandans, see Rwanda's future, because they see what has already been achieved and improved. "Rwanda of today is a nice country compared to twenty years ago. It has developed in terms of politics, in terms of education, and in terms of welfare of the population." Citizens no longer have to travel to Kigali to access public services, and progress is being made with electrification. Despite this, for most services, Elyse still has to commute to his hometown, which entails about a two-hour journey from Kigali. E-services and e-government – ICT – could spare him this journey. Consistently, it makes sense to move one step at a time. These four young people believe the government's priority should be to focus on expanding infrastructure, starting with electricity, water, and roads, followed by education, while accompanied by ICT.



Rwandan youth during youth workshop 2013, Nyamagabe

The generation of tomorrow

In the near future Rwanda's youth will be the main contributors to the country's development. To foster youth participation in local development, the NGO Never Again Rwanda organised a workshop supported by the GIZ Programme "Decentralization and Good Governance". 25 youths, between 11 and 16 years old, actively participated to explore ways to take part in decision-making in their communities and nationwide. As a result of the workshop the teenagers defined for themselves what it means to be a good citizen, namely to respect the laws, be confident that one can do something for the country, patriotism, be ready to sacrifice one's life for the country, denounce those who break the laws, and to not take bribes. Also, for them, citizen participation means to do something for the country. In particular, the youth want to contribute to change through:

- Providing education for everybody;
- Supporting street children to go to school;
- Resolving conflicts between school children to improve the school environment;
- And strengthening education for all, including people with disabilities.

To actively and creatively strengthen the impact of the workshop's content, an essay competition was conducted between teams of up to five pupils. The following essay was chosen best (translated from Kinyarwanda).

The role of youth in government programmes: Education

- Youth must participate in government programmes and other developmental activities including those which intend to build a better future for our country.
- The entire youth must go to school without any hindrance or any favouritism. Both girls and boys must be equal on education. This will help in improving the quality of education.
- Education in Rwanda is already at a good level as both girls and boys are equal before law and education. No one is left behind.
- As youth, we wish the government would improve education of disabled youth and sensitise all youth to join classes and take measures that can help all street children go to school.
- When someone learns, it improves his or her knowledge and develops him or herself and his or her country in general. This is why, as youth, we encourage all youth to join school to prepare their better future!



Woman in field



Epilogue

by Andreas Proksch and Joachim Prey

GIZ as a Partner of Choice in Strengthening Citizen-oriented Political and Administrative Systems – The New Approach in the Field of Decentralisation and Local Governance

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH has been supporting the introduction, consolidation, and modernisation of decentralised governance systems in partner countries for twenty-five years. Based on its longstanding experience, GIZ offers cutting edge expertise and support to its partners in regards to decentralisation reforms.

In so doing, GIZ cooperates with governments, administrations, and parliaments at various levels of government to develop and establish decentralised governance and administrative systems, with the objective to enhance the provision of services to their citizens in a demand-driven fashion.

The demand for decentralisation and local government support is high, and German development cooperation is widely acknowledged among partner countries and international organisations as a key partner in decentralisation reforms.

Relevance for supporting citizen-centred systems

The reasons for supporting governments in building and maintaining decentralised governance systems are manifold: democratic participation is a guiding principle of German development cooperation. As such, it forms part of the cardinal principles enshrined in the German Constitution. Thus, it is our belief that economic development cannot be achieved without social peace and political stability. The global concerns resulting from population growth, rising urbanization, and environmental challenges compel national and local governments to act effectively and efficiently in order to fulfil the needs of their citizens.

Local governments are the measuring tape for good performance of public service delivery, citizens' satisfaction, and economic development. They are an important partner for responsive, citizen-focused and results-oriented development throughout a nation. Due to their close proximity to citizens, local governments can provide basic public services more efficiently and equitably, and their citizens – who bear

the direct consequences of local decisions – can hold them accountable. Needless to say, deliberate involvement of citizens at the local level leads to more political participation, and thus catalyses social peace and economic stability. Local economic development and the management of urban or environmental challenges are better implemented and tackled at the local level.

Supporting societal reforms towards more effective decentralised government systems consequently means enhancing the positive correlation between values such as good governance, human rights, democratic organisation, and socio-economic development.

As of today, Germany is Africa's most important bilateral development partner in respect to supporting decentralisation and local governance reforms. Strengthening good governance remains a focal area for Germany's commitment towards Africa, as mentioned in the New Strategy for Africa released in March 2014 by the German Federal Ministry for Economic Cooperation and Development (BMZ). Accordingly, Africa is considered the continent of possibility and growth. As a close neighbour to Europe, the continent is predicted to receive major attention by the German development cooperation in the coming years. The BMZ will continue to dedicate more than half of its financial means for bilateral cooperation towards sub-Saharan and North Africa. The objective is to stabilise framework conditions for the emergence of effective and capable modern states with open, well-educated, and organised civil society and to promote economic development.

Decentralisation and good governance remain a priority for the German Government in the debate around the Post-2015 Agenda for Sustainable Development. The Agenda will determine the future of development cooperation alongside the evolving global demands and challenges. Within the context of this, Germany will continue to be a key partner for strengthening good governance worldwide.

Decentralisation: A top seller of the German development cooperation

The demand for support in decentralisation and local governance reforms has been growing considerably over the years. Indeed, these topics have become the second most important thematic field of GIZ support to our partners. Against this background, the government of Rwanda has joined the course by choosing German support for the implementation of their national decentralisation reforms.

The German support to decentralisation reform processes is considered to be of high quality. Indeed, Germany is well known for its authentic political and administrative system, which is based on federalism, decentralisation, and local

self-governance. The German governance system is grounded on a long and diverse history out of which practical lessons and experiences have been derived to nourish the expertise of GIZ as an implementation partner in decentralisation reforms.

The core strengths of GIZ in decentralisation and local governance support reside in a unique combination of broad experience and capacity development expertise in most aspects of this policy field, with an integrated long-term perspective on state reforms, a high degree of operational flexibility, and access to a wide network of expertise. The astute combination of these strengths makes us a reliable and competent partner in supporting reform processes in the countries that we cooperate with. Based on a cumulative know-how of twenty-five years we have firmed our long-term relations with our partners. We have continuously improved our understanding of country specific political and societal settings so as to use emerging windows of opportunities to offer context-driven support services (via a multi-entry points approach) to our partners in deepening reforms.

Germany is a key player in advancing the international discussion on the importance of decentralised governance systems for sustainable development. The BMZ is financing the Secretariat of the Development Partners Working Group on Decentralisation and Local Governance (DeLog), in which a wealth of 28 bilateral and multilateral development partners regularly convene to harmonise their support modalities to decentralisation reforms.

Finally, support to *citizen-centred governance systems* (“made in Germany”) has become a brand in GIZ’s support to governance reforms. This unique selling point is considered to be a core competency around which GIZ derives a high reputation.

The new approach

A set of changes such as global trends; the growing importance of local governments in national, regional, and international development; the asymmetric evolution of decentralisation in our partner countries, coupled with the recent merger within the German development cooperation, have paved the way to undertake a strategic modernisation of GIZ’s support in the field of decentralisation. The result is a modernised approach with a new title:

“Decentralisation, Local Governance, and Federalism: citizen-centred political and administrative systems.”



Youth of Rwanda

This approach emphasises existing strengths: 1) multi-dimensional approach by integrating all dimensions of the process of decentralising systems (political, administrative, and fiscal) whenever possible; 2) multi-level approach in line with the subsidiarity principle by strengthening subnational tiers whenever possible; and 3) multi-actor approach by extending support to non-state actors for them to take over tasks whenever possible.

The understanding of this new approach goes beyond the traditional perception of decentralisation, which was overly biased towards legislative enactments, policy declarations, and the creation of structures. The emphasis lies on interactions within the evolving decentralising system, with all levels involved. Reforms seek to create transparent, effective, and citizen-oriented public institutions at the national, regional, and local level, while strengthening decentralised and citizen-centred political and administrative systems. Those systems gear their action towards the citizens, their rights, needs, and priorities in daily life.

Accordingly, we focus our support in areas that are critical to the performance of local governments and administrations, as well as on, and the way in which, they interact with the citizens in servicing them. We thereby ensure that certain

principles and standards are upheld, such as local democracy and citizen participation, better local public service delivery, and favourable conditions for local economic development.

At the same time, we distinguish three mutually reinforcing reform phases in the establishment of citizen-centred political and administrative systems:

- 1) decentralisation (transformation) of the political and administrative system;
- 2) consolidation of the decentralised system; and 3) modernisation of the decentralised system.

We have identified ten fields of action¹²⁵ that are key to reform success as they entertain multiple comparative advantages, which also make them particularly attractive for co-financing:

4. Providing support for the design of decentralised systems;
5. Strengthening steering, communication, and supervision in decentralised systems;
6. Strengthening local democracy and citizen participation;
7. Improving local self-government and citizen services;
8. Improving local basic services and infrastructure;
9. Strengthening local economic development;
10. Promoting fiscal decentralisation and local financial management;
11. Promoting educational and training institutions;
12. Strengthening municipal associations and networks;
13. Strengthening international platforms for leading an innovation.

As the implementation of the new GIZ approach towards strengthening citizen-centred governance systems in decentralisation gains momentum, we take pride in receiving continuous feedback from our partners so as to deepen our comparative strengths as a partner of choice in implementing decentralisation reforms. This, ultimately, will help us maintain Germany's good reputation in this policy field. Germany is looking forward to continuing cooperation with Rwanda on its successes in the reform process as highlighted in this book.

¹²⁵ More information on the detailed services are available online: http://www.giz.de/de/downloads/giz2014-en_decentralisation.pdf or in German: <http://www.giz.de/fachexpertise/downloads/Fachexpertise/giz2014-de-dezentralisierung.pdf>

About the Contributors

Stéphanie Aglietti is a French journalist, correspondent of Agence France-Presse and Radio France Internationale in Rwanda since August 2012. After studying social sciences and journalism in France, Rwanda is her first post abroad. She considers giving a voice to those who do not have one to be the most important aspect of her work.

Ruth Bigalke-Nolan has been working with GIZ, and previously GTZ, since 2003 in various areas. Currently she is the component leader for Citizen Participation with the GIZ Decentralisation and Good Governance Programme in Rwanda, as well as responsible for the implementation of the Pilot Project on Media. Apart from her expertise in Islamist movements, she focuses mainly on state-society relations. She obtained her Master of Science in Politics from the School of Oriental and African Studies in London. She has contributed to several magazines regarding development issues as well as co-edited two books.

Alessandro Bozzini worked with GIZ Rwanda from January 2011 until July 2013, first as a development advisor based at Transparency International Rwanda and then as an advisor based at the GIZ Decentralisation and Good Governance Programme. He holds a Master of International Relations and during his career he has held positions at the European Parliament and international NGOs, among others, while occasionally also working as an independent researcher and consultant. A governance practitioner with an expertise in transparency, accountability, and corruption issues, he is now working at UNDP Madagascar as a governance advisor.

Hannah Elisa Bresch studied international politics and sociology in Eichstätt, Germany, and Guadalajara, Mexico. Currently she is a graduate student of Peace and Conflict Studies at Philipps-University in Marburg, Germany. Within her studies she has focused on international relations, peacekeeping missions, and transitional justice. From March to June 2014 she worked for the GIZ Decentralisation and Good Governance Programme in Rwanda. During her assignment she has contributed, amongst other things, to the production of this book.

Jenny Clover is a journalist from London. She is the Reuters correspondent for Rwanda and has lived and worked in Rwanda for more than four years.

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Nils Fürkötter is a technical advisor for the GIZ Decentralisation and Good Governance Programme in Rwanda. He works in Kamonyi District on projects in the areas of service delivery, public financial management and local development planning. He holds a Master of Political Science.

Maia Gedde has worked in international development for the past ten years in areas of capacity building and project management in the health and employment sectors. She is currently the Burundi and Rwanda country manager for SPARK, a Dutch organisation working in entrepreneurship and job creation in post-conflict countries. With a passion for capturing peoples' stories and making sense of the world through writing she has authored numerous articles and books, most recently *Working in International Development and Humanitarian Assistance*, a Career Guide to be published in late 2014 by Routledge.

Dominique Habimana currently serves as a technical expert on Citizen Participation in the GIZ Decentralisation and Good Governance Programme in Rwanda. For the past nine years he has worked with various international development agencies in designing and implementing development interventions to support the work of civil society organisations (CSOs) in Rwanda. He first started his career supporting CSOs to better provide assistance to the vulnerable, and later supported them to sustainably implement socioeconomic programmes. He has spent the last five years empowering CSOs to become real promoters of citizen-centred policy reforms in Rwanda. He pursued a Master of Development Studies and a Bachelors of Arts in Sociology.

Jesko Johannsen studied communication science, African studies, and sociology in Munich, Stockholm, and Berlin. After working several years as a freelance journalist for Deutsche Welle and a German public service radio station in Hamburg he moved to Rwanda in 2012. From here he covers East Africa for Deutsche Welle and German public-service radio stations. As an author he published the Children's book "Simon in Rwanda."

Andrew Israel Kazibwe is a Kigali based freelance journalist, educationalist, and blogger. For the past five years he has written for news agencies while teaching in Rwanda.

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Laeticia Klein works as a development advisor to the local partner organisation Rwanda Civil Society Platform. With the Decentralisation Support Unit of RCSP, she supports networks of civil society organisation on the district level. Laeticia studied social sciences with a specialisation in international relations and political sciences at the University of Mannheim. Before coming to Rwanda she worked as a development advisor in the field of strengthening civil society with GIZ Mali and in knowledge management and communication with GIZ Philippines.

David Labl studied economics until 2002. Since 2004 he has been working for GIZ as an advisor for public financing and decentralisation in different countries, such as Nicaragua, Ghana, Tanzania, Benin, and Rwanda. From 2010 to 2013 he worked as component leader of fiscal decentralisation for GIZ in Rwanda. Currently he is working as a planning expert at GIZ focusing on fiscal decentralisation and climate financing.

Katrina Lampert obtained a Bachelor of Arts in Political Science, German, and International Relations in 2013, and is now pursuing a Master of Public Policy at the Hertie School of Governance in Berlin, Germany. Before finishing her masters she is working as a student trainee for the GIZ Decentralisation and Good Governance Programme in Kigali; her first project in this position has been to proofread this book! Her topics of interests include: governance in areas of limited statehood, state-building, and conflict studies.

Gundula Löffler is currently pursuing her Doctorate of Public Administration and International Development at New York University. Her areas of expertise are decentralisation and intergovernmental relations, local public finance, and participatory governance and accountability. Previously Gundula worked for the German Technical Cooperation (GTZ) in Egypt, Syria, and Germany on issues around participatory development, decentralisation, slum upgrading, and urban management. She spent three years in Cairo as an advisor on capacity development for local governance. In Rwanda, she has been conducting research on fiscal decentralisation and local finance since 2013.

Laurent Messiaen leads the Capacity Development Component of the GIZ Decentralisation and Good Governance Programme. He holds a Master of Social Sciences and a Master of Leadership, Innovation, and Change, and has more than twenty years experience in project/programme coordination, fifteen of which at the international level. Key themes in his recent work include public sector reform, decentralisation, management of capacity development, and organisational development. Laurent is very interested in complex, multi-actor change processes and understands capacity development as a major element of such processes.

Katharina Mihaljevic is currently working for the GIZ Decentralisation and Good Governance Programme. She is responsible for results-based monitoring and communications. Previously, she has collected in-depth experience of development cooperation, focusing on local governance/decentralisation as a junior project manager and junior communications expert in an EU-funded programme in Serbia. As part of her Master of Political Science studies at the University of Innsbruck, her main fields of expertise were international relations/post-conflict management and EU foreign policy/EU integration. Katharina has been supporting the initiation of this book, developing the first concept, establishing contacts to journalists, editing articles, and has worked hand in hand with the editors until its finalisation.

Faustin Minani is a senior technical advisor in the capacity building component of the GIZ Decentralisation and Good Governance Programme in Rwanda. He has worked with local government in Rwanda since 2002 as both a senior manager and technical expert before he joined the central level in 2010 as a consultant, which widened his experience in the area of decentralisation in general, and capacity building for local government in particular. He holds a Bachelor of Human Sciences and a Master of Business Administration in Strategic Management.

Minna Nauc  r is a development advisor with the GIZ Decentralisation and Good Governance Programme. She has previously worked for the international secretariat of Transparency International, and has a background in political affairs and human rights in the Great Lakes region with the European Union and the Swedish Ministry of Foreign Affairs. Ms. Nauc  r holds a Master of Political Science from Lund University and a Bachelor of Arts in Human Rights.

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Wenceslas Niyibizi holds a degree in business and economics and is currently pursuing a Master of Business Management from the University of Eastern Africa, Baraton-Kenya. He has eight years experience in fiscal decentralisation and public financial management. Wenceslas is working for GIZ as a technical advisor for fiscal decentralisation, where he is a key resource person in supporting government policy reforms, implementation of fiscal decentralisation, and public financial management for local governments.

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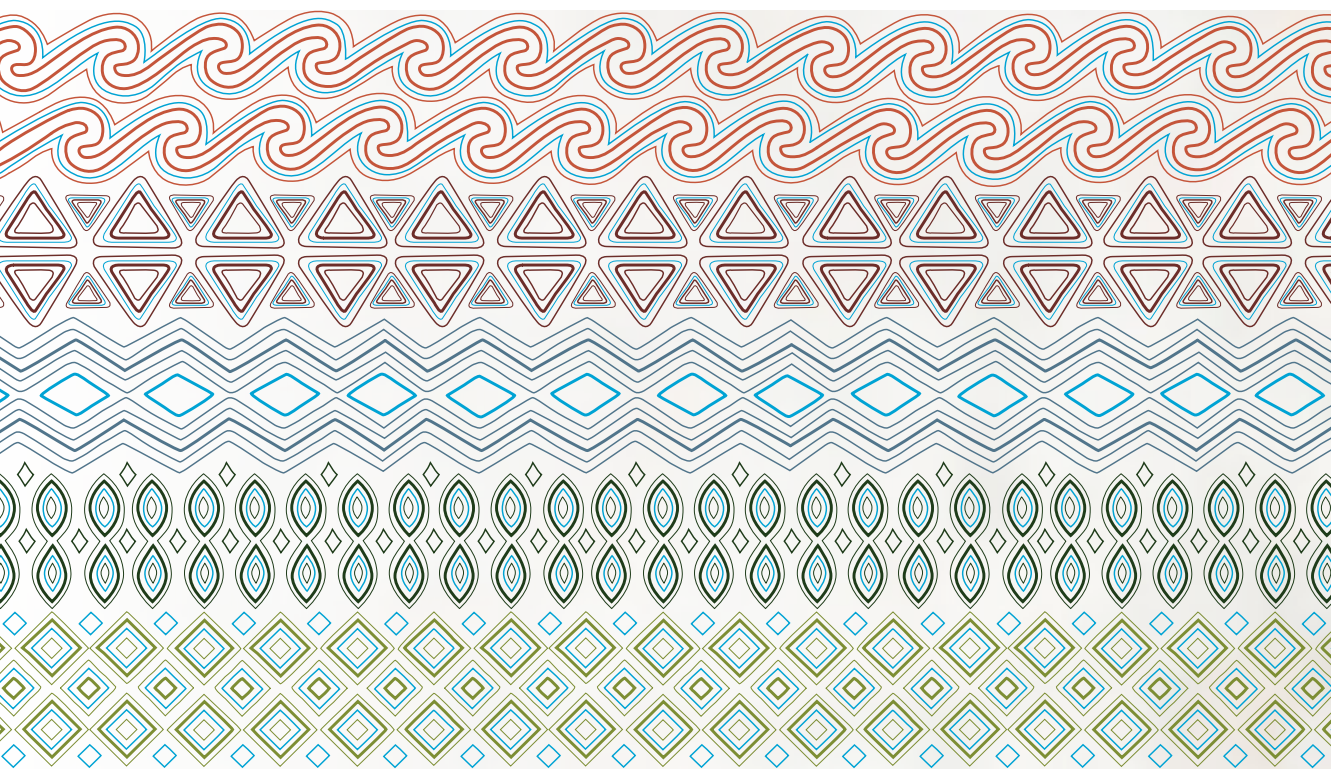
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