

REPUBLIC OF RWANDA



MINALOC

Assessment of the Impact of
Decentralization Policy Implementation
in Rwanda (2001-2017)

KEY FINDINGS





“We have to work as hard as we can to provide what our citizens need. Where available resources are limited, we must continue to work hard and find ways to generate more resources.”

H.E. Paul KAGAME

*President of the Republic of Rwanda
July 8th 2018*

This publication accompanies the report ‘Assessment Findings on Implementation of Decentralization Policy in Rwanda from 2001 to 2017’ (MINALOC, October 2017) and aims to present its key findings.

The full report is accessible on www.minaloc.gov.rw

BACKGROUND

The Government of Rwanda (GoR) adopted the **National decentralization policy** in 2000 which started being implemented in May 2001 as a remedy to the then existing challenges including highly centralized administration with unaccountable leadership, powerless, voiceless, disengaged and socially vulnerable communities, high levels of inequality and divisionism within the society, low productivity and low level of local economic development.

The policy objectives were reviewed in 2012 in observation of the achievements made and the changed context, to focus on (i) citizen’s **participation**, (ii) a culture of **accountability** and **transparency**, (iii) equitable **local economic development**, (iv) effectiveness and efficiency in **planning**, (v) national **unity** and identity, (vi) **volunteerism** and **community work** and (vii) translating the regional integration agenda into **fruitful venture for Rwandans**.

Over the past 17 years, some major reforms in implementation of the decentralization policy were applied:

- Institutional and territorial reforms – for instance before 2001 there were 154 Communes/ Districts and now reduced to 30 Districts, the Cells were established as LG administrative entities;
- Democratic elections of Local Government (LG) leaders that started in 2003;
- Introduction of Imihigo as a performance mechanism - effective delivery and accountability in 2006;
- Legal reforms: Law governing Local Government entities and other related legal instruments;
- LG Financial autonomy as result of fiscal decentralization policy and strategy;
- Established citizen participation and engagement mechanisms - Umuganda, community assemblies and Joint Action Development Forum/JADF;
- Introduction of home-Grown Solutions (HGIs) including Imihigo, Ubudehe, Umuganda, Gacaca, Abunzi among others.

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KEY ACHIEVEMENTS

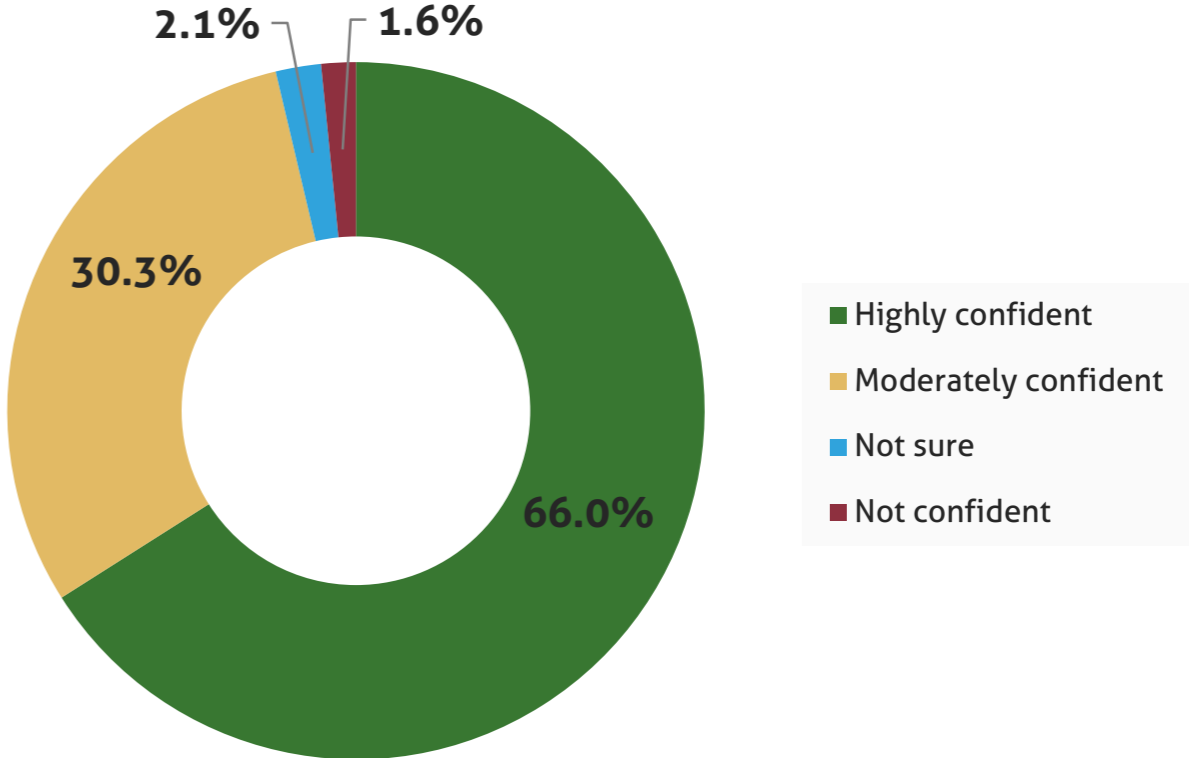
CITIZENS' PARTICIPATION

The Constitution of Rwanda (Article 48) makes it a duty for every Rwandan to participate in the development of their country. The state also has obligations to put in place mechanisms to enable all citizens to participate. To this end, a key policy outcome of the National Decentralisation Policy was to reactivate and promote citizens' participation.

There is general consensus among citizens and other stakeholders that citizens' participation has increased at all levels of governance and service delivery. Below are some of the examples from the survey findings

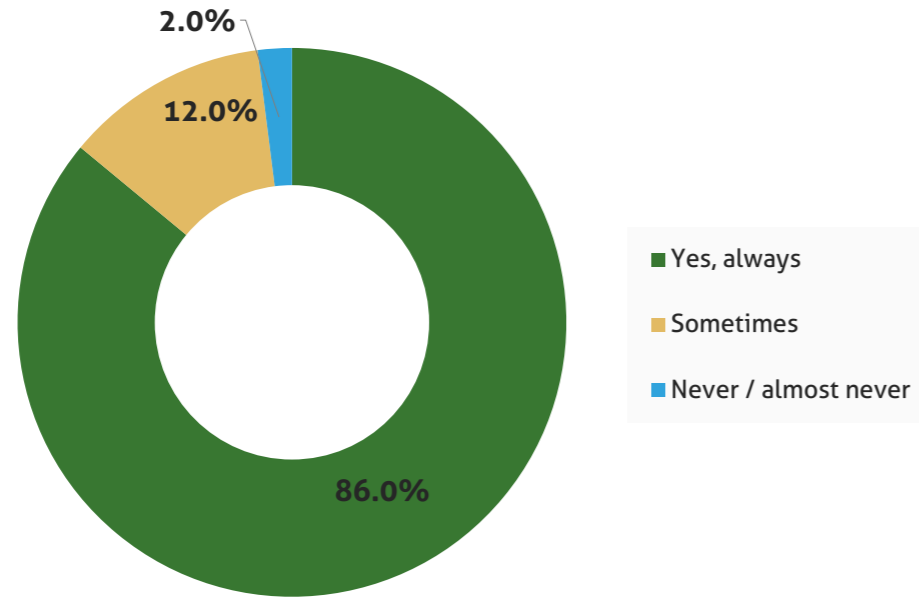


How confident are you that your or other citizens' views are taken into consideration in decisions made by local authorities?

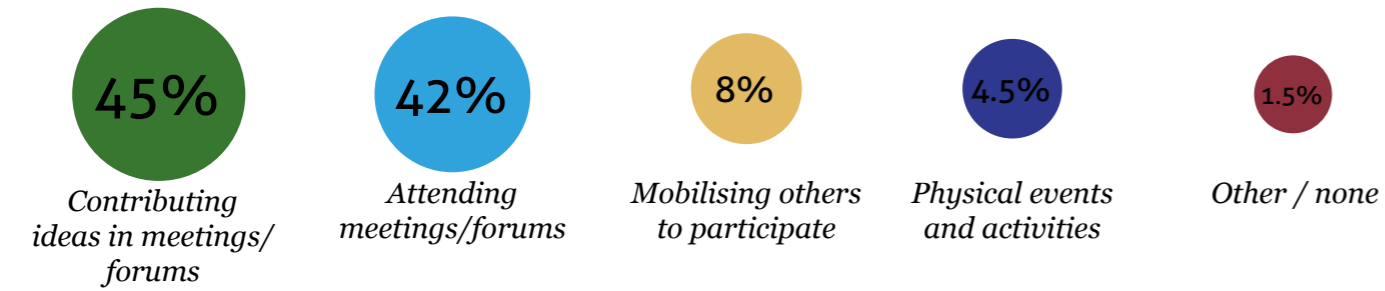


CITIZENS' PARTICIPATION

Do you regularly attend community development/ LG organized meetings?



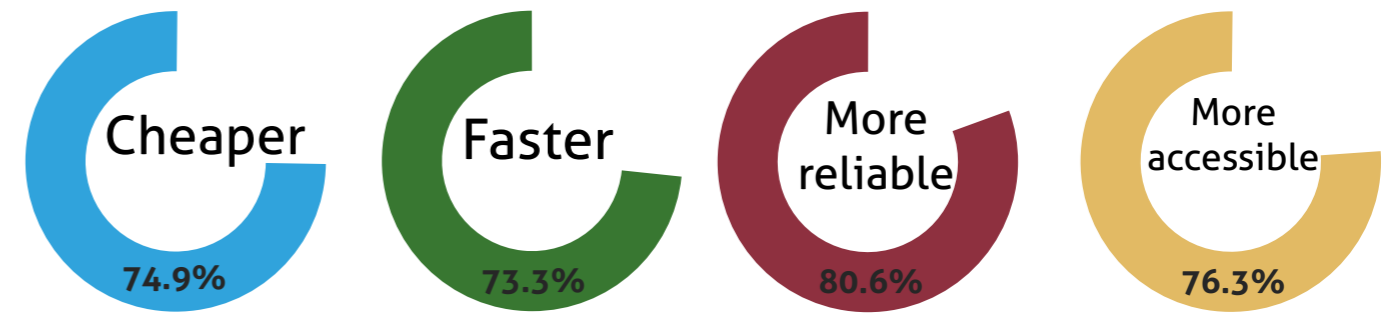
Most popular forms of participation:



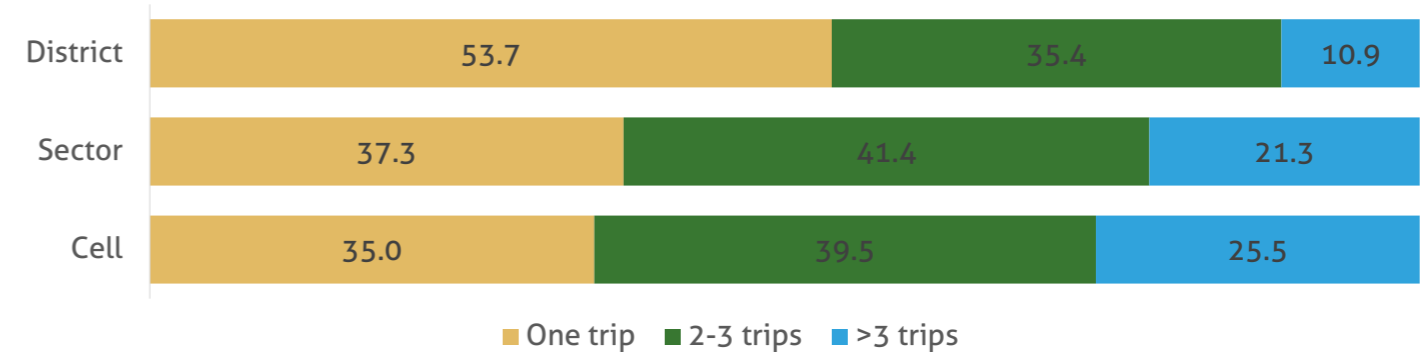
Citizen's access to and satisfaction with SERVICE DELIVERY

The most felt impact of decentralization mentioned by citizens and stakeholders is increased access to and reliability of service delivery. Basic services are closer, more reliable, of higher quality and more accessible by most citizens.

Respondents strongly believe that services under decentralisation are...



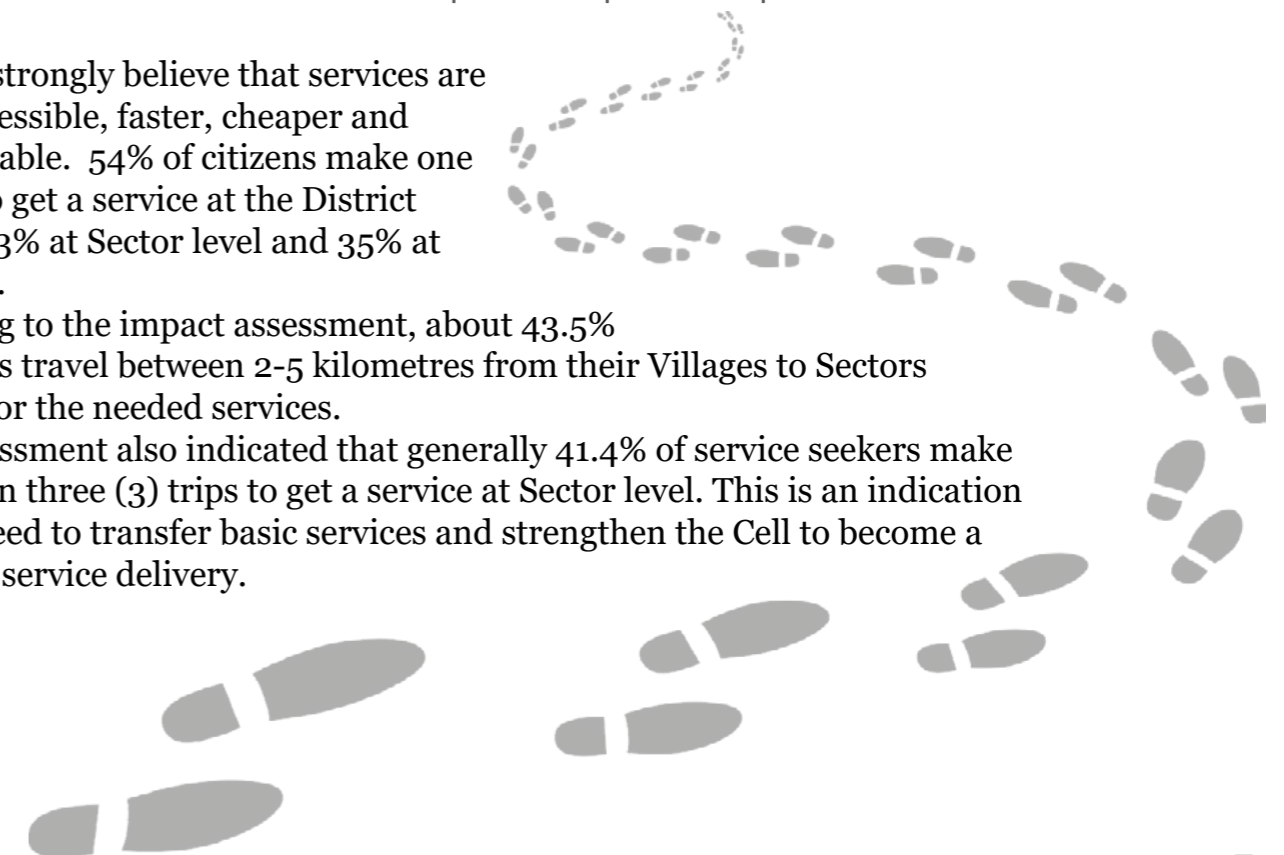
Trips taken to get one specific service delivered (% of respondents)



Citizens strongly believe that services are more accessible, faster, cheaper and more reliable. 54% of citizens make one (1) trip to get a service at the District level, 37.3% at Sector level and 35% at Cell level.

According to the impact assessment, about 43.5% of citizens travel between 2-5 kilometres from their Villages to Sectors seeking for the needed services.

This assessment also indicated that generally 41.4% of service seekers make more than three (3) trips to get a service at Sector level. This is an indication for the need to transfer basic services and strengthen the Cell to become a center of service delivery.



ACCOUNTABILITY AND TRANSPARENCY

Accountable leadership and entrenching a culture of transparency in public decision-making is a critical results area under decentralization. The figures below show citizens' perceptions in this regard



SUSTAINABLE AND EQUITABLE LOCAL ECONOMIC DEVELOPMENT

Local fiscal and financial autonomy is usually measured by the degree (or latitude) to which LGs can exercise freedom to mobilize revenue and decide what to spend public funds on (discretionary powers) within nationally defined fiscal and public financial management framework. Two critical indicators of the performance of fiscal decentralization are the proportion of LG budget funded from own sources; and the proportion of budgets transferred to or managed by LG entities.

service delivery and increased discretionary powers in expenditures

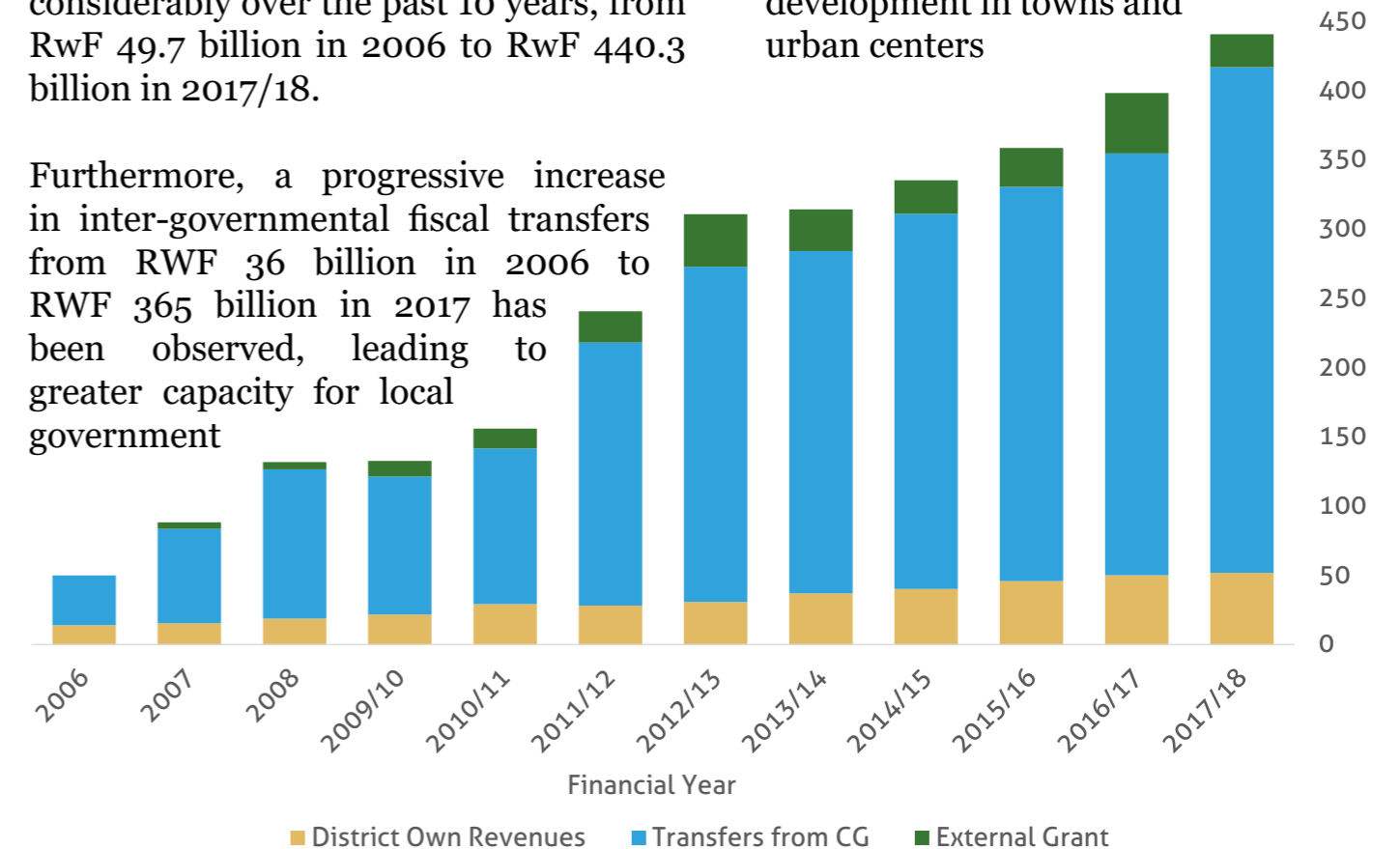
Other key figures to note are:

- Increased decentralized taxes and fees from RWF 12 billion in 2006 to RWF 51 billion in 2017;
- LG are increasingly focusing on local economic development (LED) and each District has its own LED strategy with identified potentialities;
- Increased private sector engagement by attracting private sector investments in LG and development of urban and secondary cities;
- Improved infrastructure development in rural and urban areas, internet, development in towns and urban centers

A review of the fiscal decentralization process in Rwanda is that there has been considerable progress in both the amount of own source revenue (OSR) and inter-governmental fiscal transfers.

As shown below, LG revenue has increased considerably over the past 10 years, from RWF 49.7 billion in 2006 to RWF 440.3 billion in 2017/18.

Furthermore, a progressive increase in inter-governmental fiscal transfers from RWF 36 billion in 2006 to RWF 365 billion in 2017 has been observed, leading to greater capacity for local government



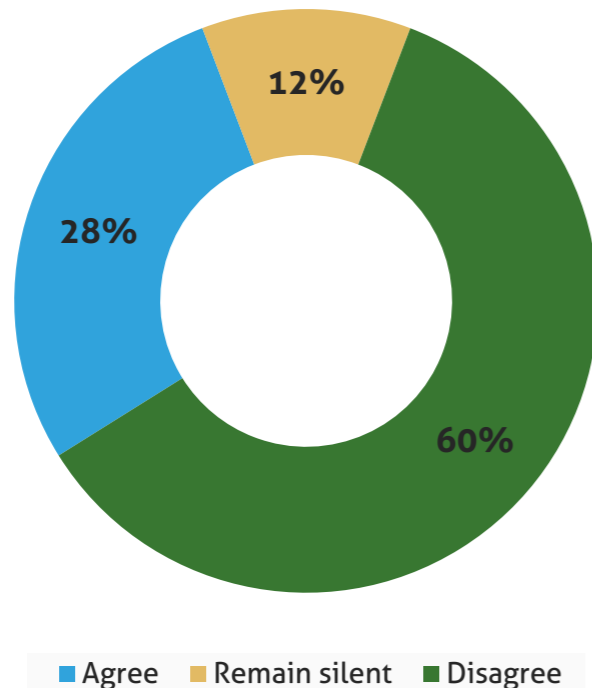
CONSOLIDATION OF NATIONAL UNITY AND IDENTITY

One of the most sensitive issues for which decentralization was considered a panacea was building social cohesion and reconstructing national identity, as Rwandans struggled to overcome the effects of the 1994 genocide against Tutsi.

The figure below shows that 60.3% disagree that some LG leaders are more likely to discriminate on the basis of perceived ethnic identity, while 28.1% agree. This finding reflects progress in the unity and reconciliation process but also reflects some gaps in the process of establishing social cohesion.



Would you say some Local Government leaders (e.g. Mayor, Councillor, Cell or Village leader) are more likely to discriminate citizens on the basis of their perceived ethnic identity?

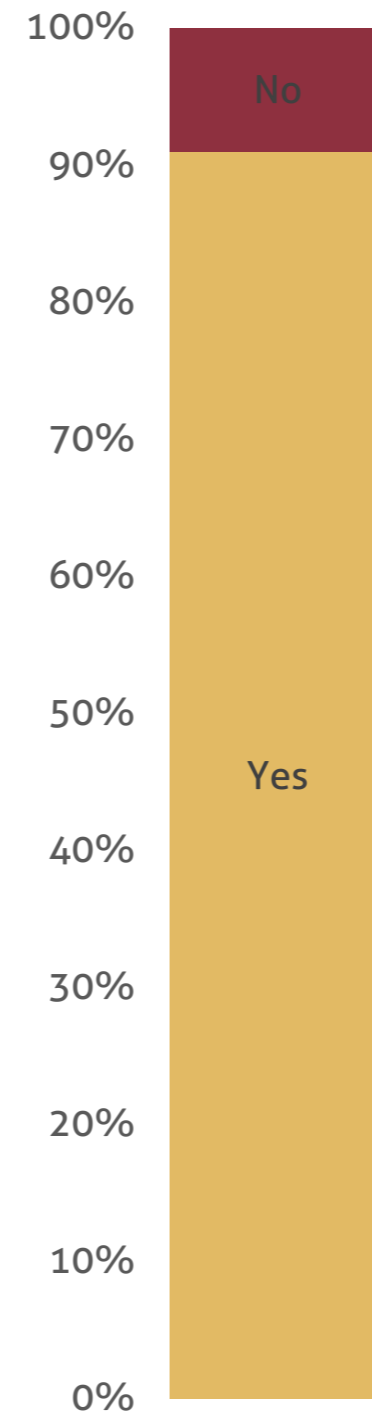


ACCESS TO INFORMATION

Access to information is considered to be one of the most important tools in citizens' empowerment.

It, inter alia, facilitates effective participation, enhances citizens' ability and confidence to demand quality services and hold leaders and service providers accountable. Access to information also enables citizens to enjoy and protect their rights, elect quality leaders and contribute productively to local economic development.

The assessment revealed that the main communication platforms for local leaders is meetings, which accounts for 85.3% as the main source of information. This makes community meetings a very important mechanism for development communication and underscores the need to strengthen LG structures and actors that are close to citizens (i.e. cell and village levels).



91% of respondents have access to information on decisions made by local authorities on local development and service delivery.

CHALLENGES

WAY FORWARD

CONCLUSION

CHALLENGES AND GAPS

- **Structure constraints:**
The Central Government and Local Government structures are designed in such a way that creates some imbalance in the allocation of functions and resources including human resources. Lower administrative entities especially the Cells have a few staff compared to the responsibilities/demands they have and they are increasingly handling more responsibilities including demands for service delivery, data collection and resolution of conflicts among others;
- **Streamlining sectoral decentralization:** Ineffective coordination framework to foster strategic linkages and leverage political will to fast track political decentralization and strengthen inter-governmental relations.
- **Capacity Constraints:**
The LG and decentralized service delivery system faces institutional and human resource constraints, which undermine the effectiveness of decentralization. Capacity constraints include inadequate personnel, inadequate facilities and equipment as well as absence of robust support systems.
- **Fiscal and financial decentralization gaps:**
maximizing local government own revenue potentialities, review of local government taxes and fees base, review of central government transfers allocation formula (Block Grant, Earmarked and Development transfers);
- **Poverty and social vulnerability:**
The existing social protection and poverty reduction interventions need to be scaled up and efficiently managed by administrative entities closest to the Citizens



RECOMMENDATIONS AND WAY FORWARD

1

Fiscal and financial Decentralisation: Strengthen and empower LGs to generate revenue, enhance inter-governmental transfers, and strengthen local PFM capacity

2

Review the **decentralized administrative structures**, aiming at strengthening the Cell as the center of service delivery

3

Sectoral Decentralisation: Mapping decentralized functions and services and align sectoral policies with the national decentralization policy

4

Capacity Building: Develop a comprehensive long-term CB strategy for effective decentralized governance and service delivery. The strategy should identify and address specific needs of individual LGs entities taking into consideration their unique challenges, and integrate issues of capacity retention and effective operations

5

Coordination framework: to clarify devolved functions and responsibilities and strengthen synergies in policy implementation. Establish effective Agency (new or existing) strategically place it in appropriate organizational hierarchy to effectively coordinate and provide policy implementation support to all stakeholders

CONCLUSION

Decentralization has impacted Rwanda's governance and development processes in terms of mindset change among citizens and leaders, and the effectiveness of service delivery. Services have become more reliable and affordable. A system for sustainable and equitable service delivery is being established. Citizens' participation has increased, leading to empowerment and a culture of accountability through voice and power strengthening.

However, Decentralization remains work in progress, thus more needs to be done in improving service delivery especially at Cell level, coordination of decentralization implementation framework, improving synergy by aligning sectoral decentralization services and building local economies through resource mobilization and administration.

KABONEKA Francis
Minister of Local Government
Republic of Rwanda



Read the full report '*Assessment Findings on Implementation of Decentralization Policy in Rwanda from 2001 to 2017*' (MINALOC, October 2017) on www.minaloc.gov.rw



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